Also, a bill (H. R. 7751) to compensate the heirs-at-law of Eleanor Dalrymple, deceased, for alleged wrongful death of Eleanor Dalrymple, on account of a collision with a Government truck, at or near San Carlos Indian Reservation; to the Committee on Claims.

Also, a bill (H. R. 7752) to compensate the heirs-at-law of Gilda Lipp, deceased, for alleged wrongful death of Gilda Lipp, on account of a collision with a Government truck, at or near San Carlos Indian Reservation; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 7753) granting a pension to Addie Higginbotham; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 7754) granting an increase of pension to Eva P. Black; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 7755) granting an increase of pension to Margaret H. Jones; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2818. By Mr. BOYLAN of New York: Petition of residents of New York City, opposing change in Supreme Court by legislation without constitutional amendment; to the Committee on the Judiciary.

2819. Also, resolution adopted by the Board of Estimate and Apportionment of the City of New York, approving and urging the passage of House bill 6841; to the Committee on Agriculture.

2820. By Mr. BUCK: Senate Joint Resolution No. 25, in the nature of a memorial, of the Legislature of the State of California, memorializing the President and the Congress of the United States to protect the rights of the State of California to its tidelands and the coastal area lying seaward of the State of California; to the Committee on the Public Lands.

2821. By Mr. COLDEN: Resolution adopted by the Sacramento Americanization Assembly, Sacramento, Calif., opposing the admission of the Territory of Hawaii to statehood; to the Committee on the Territories.

2822. By Mr. FORAND: Petition of the Retail Tobacco Dealers of America, Inc., favoring the enactment into law of House bill 6791, a bill to prohibit travelers from bringing into the United States more than 50 cigars duty free; to the Committee on Ways and Means.

2823. By Mr. GILDEA: Resolution of the Pennsylvania Pharmaceutical Association, urging the enactment of the Tydings-Miller Fair Trade Enabling Act; to the Committee on the Judiciary.

2824. Also, resolution of the thirty-third convention of the Brotherhood of Locomotive Firemen and Enginemen, supporting necessary legislation to fully protect the children of today and years to come by enactment of child-labor legislation; to the Committee on Labor.

2825. Also, resolution of the thirty-third convention of the Brotherhood of Locomotive Firemen and Enginemen, endorsing the Honorable Franklin D. Roosevelt's court reform program; to the Committee on the Judiciary.

2826. By Mr. HILDEBRANDT: Petition protesting against the Sheppard-Hill bill; to the Committee on Military Affairs.

2827. Also, resolution regarding crop control and soil conservation; to the Committee on Agriculture.

2828. By Mr. HOOK: Resolution forwarded by John Stone, as chairman of the Finnish American Clubs of the Upper Peninsula of Michigan, urging the Congress of the United States to adopt the amendment to Senate Joint Resolution No. 135, so that Finland and the Finnish people may be invited to participate in the tercentenary celebration of the first permanent settlement of the Delaware River Valley in June 1938; to the Committee on Foreign Affairs.

2829. By Mr. KRAMER: Resolution of the City Council of the city of Los Angeles, relative to relief appropriations, etc.; to the Committee on Appropriations.

2830. Also, resolution of the Brotherhood of Locomotive Firemen and Enginemen, relative to child labor, etc.; to the Committee on Labor.

SENATE

FRIDAY, JULY 2, 1937

(Legislative day of Tuesday, June 15, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, July 1, 1937, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

ORDER FOR RECESS TO TUESDAY

Mr. ROBINSON. I ask unanimous consent that when the Senate concludes its labors today it adjourn until 12 o'clock noon on Tuesday next.

Mr. McCARRAN. Mr. President, may I ask a question of the Senator?

Mr. ROBINSON. Certainly.

Mr. McCARRAN. I am not familiar with the rule, and I must apologize for my ignorance in the matter. If a measure is taken up today as the unfinished business and is not disposed of, does that mean that it goes over until Tuesday as the unfinished business for that day?

Mr. ROBINSON. Yes; it would. Any measure before the Senate today and not disposed of at the time of adjournment would be the unfinished business on the reassembling of the Senate on Tuesday.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas that when the Senate concludes its work today it take a recess until Tuesday next? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	King	Radcliffe
Andrews	Connally	La Follette	Robinson
Ashurst	Copeland	Lewis	Schwartz
Austin	Davis	Logan	Schwellenbach
Bailey	Donahey	Lonergan	Sheppard
Bankhead	Ellender	Lundeen	Steiwer
Barkley	Frazier	McAdoo	Thomas, Okla.
Berry	Glass	McCarran	Thomas, Utah
Bilbo	Guffey	McGill	Townsend
Black	Hale	McKellar	Truman
Bone	Harrison	McNary	Tydings
Borah	Hatch	Minton	Vandenberg
Brown, N. H.	Hayden	Murray	Van Nuys
Bulow	Herring	O'Mahoney	Wheeler
Burke	Hitchcock	Overton	White
Byrd	Hughes	Pepper	
Capper	Johnson, Calif.	Pittman	
Caraway	Johnson, Colo.	Pope	

Mr. MINTON. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness.

The Senator from Michigan [Mr. BROWN], the Senator from Ohio [Mr. BULKLEY], the junior Senator from South Carolina [Mr. BYRNES], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. DIETERICH], the Senator from Wisconsin [Mr. DUFFY], the senior Senator from Georgia [Mr. GEORGE], the senior Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the junior Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. HOLT], the Senator from Oklahoma [Mr. LEE], the senior Senator from New Jersey [Mr. MOORE], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. REYNOLDS], the

junior Senator from Georgia [Mr. RUSSELL], the junior Senator from New Jersey [Mr. SMATHERS], the senior Senator from South Carolina [Mr. SMITH], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the senior Senator from Nebraska [Mr. NORRIS] is absent from the Senate because of illness.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES], my colleague the junior Senator from Vermont [Mr. GIBSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The PRESIDENT pro tempore. Sixty-nine Senators having answered to their names, there is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 88) providing for the participation of the United States in the world's fair to be held by the San Francisco Bay Exposition, Inc., in the city of San Francisco during the year 1939, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5394) to provide for the acquisition of certain lands for, and the addition thereof to, the Yosemite National Park, in the State of California, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2901) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 3259. An act for the relief of Laura E. Alexander; and

H. R. 4795. An act to provide for a term of court at Livingston, Mont.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6586. An act to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes;

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; and

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 2254. An act to amend section 460, chapter 44, title II, of the act entitled "An act to define and punish crimes in the District of Alaska and to provide a code of criminal procedure for said District", approved March 3, 1899, as amended;

H. R. 3259. An act for the relief of Laura E. Alexander;

H. R. 4795. An act to provide for a term of court at Livingston, Mont.;

H. R. 5394. An act to provide for the acquisition of certain lands for, and the addition thereof to, the Yosemite National Park, in the State of California, and for other purposes; and

H. J. Res. 434. Joint resolution to amend the act entitled "An act to amend section 4471 of the Revised Statutes of the United States, as amended."

BEQUESTS OF THE LATE JAMES REUEL SMITH

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York, which, with the accompanying paper, was referred to the Committee on Commerce.

CLAIM OF LEO L. HARRISON

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Leo L. Harrison against the United States, which, with the accompanying report, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a resolution adopted by members of Farmers Union Local No. 89, of Eddy County, N. Dak., protesting against the enactment of the bill (S. 25) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace, which was referred to the Committee on Finance.

He also laid before the Senate a letter, with an accompanying statement, from Wilhelm Kuehne, secretary-treasurer of the Labor Alliance of America, Jamaica, N. Y., in relation to the President's Supreme Court proposal, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Grand Council of the State of New York, Orders Sons of Italy in America, favoring the enactment of the bill (S. 1678) to provide additional home-mortgage relief by providing for (1) a moratorium on foreclosures permitting appropriate legislation to provide further emergency relief to home-mortgage indebtedness; (2) to further refinance home mortgages; (3) to reduce the rate of interest and extend payment and amortization of mortgages; (4) to eliminate personal and deficiency judgments in foreclosures; and for other purposes, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by a mass meeting assembled at the Vaad Hakole Synagogue in Rochester, N. Y., protesting against alleged attacks upon and the destruction of Jewish life and property in Poland, and also requesting that the Government of the United States make proper representations to the Government of Poland in the premises, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2091) for the relief of Ada Saul, Steve Dolack, and Marie McDonald, reported it with an amendment and submitted a report (No. 857) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 449) for the relief of Earl Hill, reported it with an amendment and submitted a report (No. 858) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 1881) for the relief of the Consolidated Aircraft Corporation, reported it with amendments and submitted a report (No. 859) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 537) to provide suitable accommodations for the district court of the United States at Glasgow, Mont., reported it with amendments and submitted a report (No. 860) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5552) to provide for the relinquishment of an easement granted to the United States by the Green Bay and Mississippi Canal Co., reported it without amendment and submitted a report (No. 861) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 2619) to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended, reported it without amendment and submitted a report (No. 862) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on July 1, 1937, that committee presented to the President of the United States the following enrolled bills:

S. 2156. An act to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, approved June 10, 1930, and for other purposes;

S. 2620. An act to amend the Hawaiian Homes Commission Act, 1920;

S. 2621. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

S. 2622. An act to authorize the Legislature of the Territory of Hawaii to create a public corporate authority authorized to engage in slum clearance and housing undertakings and to issue bonds of the authority, to authorize said legislature to provide for financial assistance to said authority by the Territory and its political subdivisions, and for other purposes;

S. 2652. An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes; and

S. 2653. An act to amend an act entitled "An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes", approved August 3, 1935.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

A bill (S. 2739) for the relief of Virgil D. Alden and others; to the Committee on Claims.

By Mr. TRUMAN:

A bill (S. 2740) to amend the Social Security Act with respect to its application to employees of fraternal beneficiary societies, orders, and associations, and of corporations holding title for tax-exempt organizations; to the Committee on Finance.

A bill (S. 2741) to provide for the erection of a monument on the Lone Jack Battlefield, Mo., in commemoration of the Battle of Lone Jack; to the Committee on Military Affairs.

By Mr. SCHWARTZ:

A bill (S. 2742) for the relief of Mrs. C. Doorn; to the Committee on Immigration.

By Mr. BARKLEY:

A bill (S. 2743) granting a pension to Henry C. Field; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 2744) granting an increase of pension to Helen M. Lamar (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2745) granting a pension to Alice G. Townsend; to the Committee on Pensions.

By Mr. FRAZIER and Mr. BULOW:

A joint resolution (S. J. Res. 174) providing the right of appeal to the Supreme Court in certain cases involving claims of the Sioux Indians; to the Commitee on Indian Affairs.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 6586. An act to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes; to the Committee on Interstate Commerce.

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Commerce.

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes; to the Committee on Public Lands and Surveys.

CHANGE OF REFERENCE

On motion by Mr. BAILEY, the Committee on Claims was discharged from the further consideration of the bill (H. R. 5495) for the relief of Anne E. Felix, and it was referred to the Committee on Privileges and Elections.

REORGANIZATION OF FEDERAL JUDICIARY—AMENDMENT

Mr. LOGAN. Mr. President, on behalf of the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. ASHURST], and myself, I submit an amendment in the nature of a substitute intended to be proposed to the bill (S. 1392) to reorganize the judicial branch of the Government, which I ask may be printed and lie on the table. I also ask that the proposed amendment be printed in the CONGRESSIONAL RECORD.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. LOGAN (for himself, Mr. HATCH, and Mr. ASHURST) to the bill (S. 1392) to reorganize the judicial branch of the Government, viz: Strike out all after the enacting clause and insert the following:

"TITLE I

"SECTION 1. Section 215 of the Judicial Code of the United States is hereby repealed and reenacted to read as follows:

"'SEC. 215. The Supreme Court of the United States shall consist of a Chief Justice and eight Associate Justices, any six of whom shall constitute a quorum: *Provided, however,* The number of Justices may be increased by the appointment of an additional Justice in the manner now provided for the appointment of Justices, for each Justice, including the Chief Justice, who at the time of the nomination has reached the age of 75 years, but not more than one appointment of an additional Justice as herein authorized shall be made in any calendar year: *Provided,* That the authority to appoint for any calendar year shall not lapse by reason of the rejection of the nomination, delay in confirmation, inability to nominate during an adjournment of the Senate or withdrawal of the nomination in a succeeding calendar year; and when such additional Justice or Justices shall have been so appointed no vacancy caused by the death, resignation, or retirement of a Justice (except the Chief Justice) who has reached the age of 75 years, shall be filled, unless the filling of such vacancy is necessary to maintain at not less than nine the number of Justices who have not reached the age of 75. The number of appointments so made shall not, at any time, increase the total number of Justices by more than two-thirds of the permanent membership of the Court. If the number of members of the Supreme Court is in excess of nine not less than two-thirds of the membership shall constitute a quorum. As used in this section, the term "Justice" shall not include a Justice who has retired from regular, active service.'

"SEC. 2. (a) An additional judge of any court of the United States other than the Supreme Court may be appointed, in the manner now provided by law, and to the same court, for each judge, appointed to hold his office during good behavior, who at the time of nomination of the additional judge has reached the age of 70 years.

"(b) The number of judges of any such court shall be increased by the number appointed thereto under the provisions of subsection (a) of this section but no vacancy shall be created by the death, resignation, or retirement of a judge of such court (other than a chief justice) whose continuance in office has occasioned the appointment of an additional judge. No appointment shall be made under subsection (a) which at any one time would result in (1) more than 20 judges in regular active service, in addition to those otherwise authorized by law, or (2) an addition of more than two judges to the number otherwise authorized by law to be appointed to any circuit court of appeals, the Court of Claims, the United States Court of Customs and Patent Appeals, or the United States Customs Court, or (3) more than twice the number of judges otherwise authorized by law to be appointed for any district or, in the case of judges appointed for more than one district, for any such group of districts.

"(c) Three-fifths of the judges of each of the following courts shall constitute a quorum thereof: The United States Court of Appeals for the District of Columbia, the Court of Claims, and the United States Court of Customs and Patent Appeals.

"(d) An additional judge shall not be appointed under the provisions of this section when the judge who has reached the age of 70 years is commissioned to an office as to which Congress has provided that a vacancy shall not be filled.

"SEC. 3. (a) Any Circuit Judge may be designated and assigned from time to time by the Chief Justice of the United States for

general service in the circuit court of appeals for any circuit. Any district judge may be designated and assigned from time to time by the Chief Justice of the United States for general service in any district court, or, subject to the authority of the Chief Justice, by the senior circuit judge of his circuit for service in any district court within the circuit. A district judge designated and assigned to another district hereunder may hold court separately and at the same time as the district judge in such district. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned, and thereafter the judge so designated and assigned shall be authorized to discharge all the judicial duties (except the power of appointment to a statutory position or of permanent designation of a newspaper or depository of funds) of a judge of the court to which he is designated and assigned. The designation and assignment of a judge shall not impair his authority to perform such judicial duties of the court to which he was commissioned as may be necessary or appropriate. The designation and assignment of any judge may be terminated at any time by order of the Chief Justice or by the senior circuit judge, as the case may be.

"(b) After the designation and assignment of a judge by the Chief Justice, the senior circuit judge of the circuit in which such judge is commissioned may certify to the Chief Justice any consideration which such senior circuit judge believes to make advisable that the designated judge remain in or return for service in the court to which he was commissioned. If the Chief Justice deems the reasons sufficient he shall revoke, or designate the time of termination of, such designation and assignment.

"(3) In case a trial or hearing has been entered upon but has not been concluded before the expiration of the period of service of a district judge designated and assigned hereunder, the period of service shall, unless terminated under the provisions of subsection (a) of this section, be deemed to be extended until the trial or hearing has been concluded. Any designated and assigned district judge who has held court in another district than his own shall have power, notwithstanding his absence from such district and the expiration of any time limit in his designation, to decide all matters which have been submitted to him within such district, to decide motions for new trials, settle bills of exceptions, certify or authenticate narratives of testimony, or perform any other act required by law or the rules to be performed in order to prepare any case so tried by him for review in an appellate court; and his action thereon in writing filed with the clerk of the court where the trial or hearing was had shall be as valid as if such action had been taken by him within that district and within the period of his designation. Any designated and assigned circuit judge who has sat on another court than his own shall have power, notwithstanding the expiration of any time limit in his designation, to participate in the decision of all matters submitted to the court while he was sitting and to perform or participate in any act appropriate to the disposition or review of matters submitted while he was sitting on such court, and his action thereon shall be as valid as if it had been taken while sitting on such court and within the period of his designation.

"(d) When any judge is assigned to duty outside of his district or circuit his subsistence allowance shall be $10 per diem.

"SEC. 4. (a) The Supreme Court shall have power to appoint a proctor. It shall be his duty (1) to obtain and, if deemed by the Court to be desirable, to publish information as to the volume, character, and status of litigation in the district courts and circuit courts of appeals, and such other information as the Supreme Court may from time to time require by order, and it shall be the duty of any judge, clerk, or marshal of any court of the United States promptly to furnish such information as may be required by the proctor; (2) to investigate the need of assigning district and circuit judges to other courts and to make recommendations thereon to the Chief Justice; (3) to recommend, with the approval of the Chief Justice, to any court of the United States methods for expediting cases pending on its dockets; and (4) to perform such other duties consistent with his office as the court shall direct.

"(b) The proctor shall, by requisition upon the Public Printer, have any necessary printing and binding done at the Government Printing Office, and authority is conferred upon the Public Printer to do such printing and binding.

"(c) The salary of the proctor shall be $10,000 per annum, payable out of the Treasury in monthly installments, which shall be in full compensation for the services required by law. He shall also be allowed, in the discretion of the Chief Justice, stationery, supplies, travel expenses, equipment, necessary professional and clerical assistance, and miscellaneous expenses appropriate for performing the duties imposed by this section. The expenses in connection with the maintenance of his office shall be paid from the appropriation of the Supreme Court of the United States.

"SEC. 5. There is hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this act.

"SEC. 6. When used in this act—

"(a) The term 'circuit court of appeals' includes the United States Court of Appeals for the District of Columbia; the term 'senior circuit judge' includes the chief justice of the United States Court of Appeals for the District of Columbia; and the term 'circuit' includes the District of Columbia.

"(b) The term 'district court' includes the District Court of the District of Columbia but does not include the district court in any Territory or insular possession.

"(c) The term 'judge' includes justice and the term 'chief justice' shall include the presiding judge of the United States Court of Customs and Patent Appeals.

"TITLE II

"SECTION 101. Whenever in any court of the United States in any suit or proceeding to which the United States or any agency thereof or any officer or employee thereof, as such officer or employee, is not a party, the constitutionality of any statute of the United States is drawn in question, the court having jurisdiction of the suit or proceeding shall certify such fact to the Attorney General if the court is of opinion that a substantial ground exists for questioning the constitutionality of the statute. The court shall afford the United States an opportunity for presentation of evidence (if evidence is otherwise receivable in such suit or proceeding) and argument. In the suit or proceeding the United States shall, subject to the applicable provisions of law, have the same rights as a party to the extent necessary for a proper presentation of the facts and law relating to the constitutionality of the statute and shall have the right to become a party to such proceeding, case, or controversy.

"SEC. 102. Whenever any judgment, decree, or order in any suit or proceeding referred to in section 101 is based in whole or in part upon a decision that any statute of the United States is unconstitutional as therein applied, the United States, irrespective of whether or not it had previously presented evidence or argument under the provisions of section 101 shall have the same right to appeal therefrom as any party to the suit or proceeding. Within 60 days after the entry of any such judgment, decree, or order, whether final or interlocutory, the United States may also appeal therefrom directly to the Supreme Court, in which event any appeal or cross-appeal therefrom by any party to the suit or proceeding taken previously or taken within 60 days after notice of the appeal by the United States shall also be treated as taken directly to the Supreme Court. Such appeals to the Supreme Court shall, on motion of the United States, be advanced to a speedy hearing. This section shall not confer upon the United States any right of review by the Supreme Court unless a party to the suit or proceeding also takes an appeal.

"SEC. 103. Within 60 days after the entry of any judgment, decree, or order referred to in section 102, the United States, irrespective of whether or not it had previously presented evidence or argument under the provisions of section 101, may appeal therefrom directly to the Supreme Court. Such appeals will lie if no appeal is taken by any party to the suit or proceeding and such appeals shall, on motion of the United States, be advanced to a speedy hearing. If the United States appeals to the Supreme Court under the provisions of section 102, but no appeal is taken by any party to the suit or proceeding, the appeal of the United States shall be regarded as an appeal under this section. If such section, or any provision thereof, is held invalid, the remainder of this act and the other provisions of this section shall not be affected thereby.

"SEC. 104. In any suit or proceeding in any court of the United States to which the United States or any agency thereof or any officer or employee thereof, as such officer or employee, is a party, in which the decision is against the constitutionality of any statute of the United States, the United States, within 60 days after the entry of a final or interlocutory judgment, decree, or order, may, in its discretion, in its own name or in the name of such agency, officer, or employee, as the case may be, appeal therefrom directly to the Supreme Court, in which event any appeal or cross appeal by any party to the suit or proceeding taken previously or taken within 60 days after notice of the appeal by the United States shall also be or be treated as taken directly to the Supreme Court. Such appeals shall, on motion of the United States, be advanced to a speedy hearing. This section shall not apply to any judgment, decree, or order of a district court of the United States which may, under existing provisions of law, be appealed directly to the Supreme Court.

"SEC. 105. The Attorney General is authorized by himself or by counsel designated by him to appear and argue in cases described in section 101, and to invoke appellate jurisdiction in cases described in sections 102, 103, and 104.

"SEC. 106. As used in this title, the term 'court of the United States' means the courts of record of Alaska, Hawaii, and Puerto Rico, the Customs Court, the Court of Customs and Patent Appeals, the Court of Claims, the District Court of the United States for the District of Columbia, any district court of the United States, the United States Court of Appeals for the District of Columbia, any circuit court of appeals, and the Supreme Court.

"SEC. 107. If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby."

REGULATION OF TRANSPORTATION BY AIRCRAFT—AMENDMENTS

Mr. TRUMAN submitted amendments intended to be proposed by him to the bill (S. 2) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate commerce, and for other purposes, which were ordered to lie on the table and to be printed.

PROTECTION FROM SUBSTITUTES AND MIXTURES IN WOVEN OR KNITTED FABRICS—AMENDMENT

Mr. SCHWARTZ submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2190) to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics and in garments or articles

of apparel made therefrom, and for other purposes, which was referred to the Committee on Interstate Commerce and ordered to be printed.

EXTENSION OF TIME FOR SUBMITTING REPORT ON DOMESTIC POTASH INDUSTRY INVESTIGATION

Mr. PITTMAN submitted the following resolution (S. Res. 148), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the report required to be made by the Committee on Public Lands and Surveys pursuant to Senate Resolution 274 (74th Cong., 2d sess.), agreed to June 18, 1936, may be made at any time prior to the expiration of the Seventy-fifth Congress.

STATE TAXATION OF FEDERAL INSTRUMENTALITIES (S. DOC. NO. 86)

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed as a Senate document a compilation of data which I have gathered concerning State taxation of Federal instrumentalities. The data relate to the denial to the several States of the right to tax the income or property of Federal instrumentalities engaged in proprietary or nongovernmental functions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROBLEMS OF THE INDIANS—ADDRESS BY SENATOR CHAVEZ

[Mr. HATCH asked and obtained leave to have printed in the RECORD a radio address entitled "Lo, the Poor Indian", delivered by Senator CHAVEZ on July 1, 1937, which appears in the Appendix.]

CONSTITUTIONALITY OF WAGES-AND-HOURS BILL—STATEMENT BY ROBERT H. JACKSON

[Mr. DONAHEY asked and obtained leave to have printed in the RECORD a statement on the constitutionality of the wages and hours bill, by Robert H. Jackson, Assistant Attorney General, before the joint hearings of the Senate Committee on Education and Labor and the House of Representatives Committee on Labor, which appears in the Appendix.]

PARTITION OF PALESTINE

Mr. COPELAND. Mr. President, I shall detain the Senate for only 2 or 3 minutes. In the newspapers this morning I find a dispatch from London stating that the British Government is determined upon a further partitioning of Palestine. I call attention to the matter here, and I am glad the distinguished chairman of the Foreign Relations Committee [Mr. PITTMAN] is in the chair, because this is a question which concerns our Government and will, I have no doubt, be made a matter of study by the Foreign Relations Committee.

I hope the newspaper report is incorrect. But those of us who have followed the situation in Palestine are prepared for such a report, because it has been in the offing for some months. Last summer the Senator from Vermont [Mr. AUSTIN], former Senator Hastings, and I were in Palestine and learned at first hand about conditions there. Immediately following our visit was the visit of the royal high commission, and from that time to this there has been discussion to the effect that, in all probability, there would be a recommendation made for a further partitioning of Palestine.

I say I hope the report is not true, because those of us who recall the beginning of the World War remember how vigorously the British raised the cry against Germany when Germany marched through Belgium, violating her treaty with Belgium, as was contended by the British. The slogan was that the Germans had made "a scrap of paper" of the treaty.

Mr. President, if it be true that the British propose a partitioning of Palestine and a further restriction of Jewish immigration into that country, and if that should be done without consultation with the United States, it would be making a "scrap of paper" of a treaty which Great Britain has with us.

I fear it may have been forgotten by Members of the Senate that in 1924, on the 3d of December, a convention was entered into between the United States and Great Britain covering the matters which I am presenting to the Senate this morning. I shall recall briefly what led up to the treaty which Great Britain has with the United States.

During the war the now famous Balfour declaration was made—a pledge on the part of Lord Balfour for his Government that in the event of a successful war the Jews would be given a national home in Palestine. So interested was this Government in the Balfour proposal that the Congress of the United States, by unanimous vote, ratified, confirmed, and repeated the Balfour declaration.

At the end of the war the supreme war council of the Allies determined upon the disposition of territory won through the war. When it came to the question of Palestine, it was decided by the supreme council that a mandatory should be placed over Palestine and that the terms of the mandate should be prepared by the League of Nations. As a matter of fact, the League of Nations did prepare the mandate, and in due time the Sovereign of Great Britain was made the mandatory and given the administration of the mandate.

Up to that moment the United States could claim no direct interest in the problem because our country, of course, had no membership in the League of Nations; but the matter came to us through long-time negotiation, and those who are interested will find a public document known as the Mandate of Palestine, a publication of the Department of State, Near Eastern Series No. 1, issued by the Government Printing Office in 1931. In this document will be found a full description and account of the negotiations which led ultimately to the convention between the United States and Great Britain.

When this treaty was finally formulated, it recited in full the identical language of the mandate, as set up by the League of Nations, to be administered by Great Britain as the mandatory. So the treaty which we have with Great Britain includes every word of the mandate.

In addition, I invite attention to article VII of the treaty:

> Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above unless such modification shall have been assented to by the United States.

I observe in the London dispatch to which I have referred, an Associated Press dispatch, that Mr. Ormsby-Gore, Minister for the Colonies, was queried yesterday in the House of Commons by Geoffrey Mander, Liberal, who asked from the floor whether the English Government "proposed to consult the Government of the United States with regard to the future policy to be pursued in Palestine in view of the treaty of December 3, 1924, between Great Britain and the United States by which the latter became a party to the agreement to establish Palestine as a Jewish homeland."

Mr. Ormsby-Gore replied that the Government would "keep constantly in mind any rights of the Government of the United States under the instrument" to which Mr. Mander referred.

Mr. President, it would be an outrageous thing, in my judgment, if the British Government should seek to partition the Holy Land and actually proceed to take away from the Jews who have gone there the rights which they have under the mandate of the League of Nations and under the treaty between Great Britain and the United States.

I assert that I have never observed any policy on the part of Great Britain except the policy of geography. Great Britain has now moved out of Egypt. We were there at the time of the evacuation. At the time of our visit there were 30,000 British troops in Palestine. Why? To take care of 500 or 600 bandits roaming the country and killing innocent persons and destroying property? I could take a thousand of the cops of New York City and dispose of those bandits in 2 weeks. The British are in Palestine because just back of Palestine is the Suez Canal and around the corner is India.

Mr. President, the British are treating Palestine as if it were English territory. Palestine does not belong to the English. The Holy Land is a possession of the civilized world. In this time of distress and disturbance, when Jews are in trouble everywhere, there ought to be one place in the sun where they can go and live in peace and contentment and in physical safety. That was the intent of the Supreme

Council. The pledges that were made to the world indicated that Palestine was to be made a home for the Jews. I am not in favor of going to war with Great Britain over the question; but I think this Government, in solemn and set terms, should make clear to the British Government that it would be a violation of our treaty, and make it a mere "scrap of paper", if they should fail to take into consideration the views which we hold regarding the problem in Palestine.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Idaho?

Mr. COPELAND. I do.

Mr. BORAH. Do I correctly understand the Senator to say that it would be a violation of our treaty?

Mr. COPELAND. A violation of our treaty.

Mr. BORAH. What did our treaty provide in that respect?

Mr. COPELAND. Our treaty repeats all the terms of the arrangement made by order of the Supreme Council with the League of Nations. It recites all the terms of the mandate under which Great Britain is administering affairs in Palestine; and further, article VII, as I read a little while ago, declares that—

> Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above unless such modification shall have been asented to by the United States.

My contention is that if this revision were made and this partitioning accomplished it would be in violation of the terms of the mandate, and that it cannot be lawfully or morally made without the consent of the United States.

Mr. President, I have no disposition to detain the Senate at this time. I happen to live in a community where one-seventh of all the Jews of the world live. I think no Christian could possibly have a more intimate knowledge than I possess of the wishes and desires and aspirations of the Jewish people. I know how intent they are upon this matter, how interested they are in it, how devoted they are to it. To them it is a part of their very religion; and, Mr. President, it is amazing to contemplate the millions and tens of millions of dollars which have been contributed by the Jews in America to the cause of Israel in Palestine.

Mr. President, we dealt with this matter years ago. We entered upon a policy. It is a solemn obligation between our country and Great Britain. With all the strength of my body and soul, I resent the effort of the British to violate this convention, to make it a "scrap of paper." If there is anything within reason that our country can do to make certain that the Jews in Palestine shall be undisturbed in their traditional home, I am sure our Government will take appropriate steps.

On our return from Palestine I saw the Secretary of State and presented to him the picture of the situation as I saw it. I am sure there is alertness on the part of the Department of State in the matter; but I wanted the Senate and the country to know that there is in prospect as great a wrong against great masses of human beings as has ever been perpetrated in the history of the world.

WILLIAM SULEM—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2332) for the relief of William Sulem, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows: In lieu of the sum "$232" insert "$750"; and the Senate agree to the same.
>
> J. W. BAILEY,
> M. M. LOGAN,
> ARTHUR CAPPER,
> *Managers on the part of the Senate.*
> AMBROSE J. KENNEDY,
> ELMER J. RYAN,
> FRANK CARLSON,
> *Managers on the part of the House.*

The report was agreed to.

CLAIMS FOR EXCESS COSTS, MISSISSIPPI RIVER DAMS AND LOCKS—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2565) to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendment of the Senate and agree to the same.
>
> J. W. BAILEY,
> ARTHUR CAPPER,
> *Managers on the part of the Senate.*
> AMBROSE J. KENNEDY,
> ELMER J. RYAN,
> FRANK CARLSON,
> *Managers on the part of the House.*

The report was agreed to.

TRANSPORTATION BY AIR

Mr. TRUMAN. Mr. President, I ask the indulgence of the Senate to make a few remarks about transportation by air.

It has been one of my tasks during the first and second sessions of the Seventy-fourth Congress and the first session of the Seventy-fifth Congress to act as chairman of a subcommittee of the Interstate Commerce Committee of the Senate appointed to hold hearings on Senate bills 3027 and 3420 of the Seventy-fourth Congress and Senate bills 2 and 1760 of the Seventy-fifth Congress. These bills, introduced by the junior Senator from Nevada [Mr. MCCARRAN], contemplate carrying out the recommendations of the President of the United States in regard to transportation by air.

Transportation by air, in my opinion, is one of our vital problems which need prompt attention. It affects every phase of our foreign and domestic commerce. We are at the threshold of perfection in air transportation. We do not seem to realize what that means. California and Oregon were made an integral part of the United States by the completion of the Pacific railroad and the Western Union Telegraph line to the Pacific coast. Fast transportation with quick and easy communication has made this country great.

Mr. President, air transport will make Europe, Asia, South America, and Polynesia our next-door neighbors. Shanghai is not as far from San Francisco by air as New York is by rail. Rio de Janeiro is closer to Miami by air than Chicago is by rail.

We must realize what this means to our foreign trade. Domestically, we are no bigger now, in time and distance, than a county was in the old "horse and buggy" days.

We have a chance to do in the air what the old clipper ships did on the water. When steam navigation and steel ships came along, we failed to realize their importance, although the first steamboat was built in America. For the past 20 years we have frantically tried to restore our ocean trade and merchant marine. We are still trying. Had we realized what we had with the old clipper ship, and had we followed through with the new type of trade ship, we never should have lost our trade supremacy on the sea. Here is our opportunity to restore that trade. Air transport makes us near neighbors to Europe, Asia, South America, and Australia.

Let us not overlook the domestic importance of air transport, either. We must not make the same mistakes that we have made with the railroads. Regulation with them came almost too late, and we are still experimenting with it.

Eventually, however, in 1889, the Congress of the United States decided that the rail system of the country was a national public utility, and that, as such, the Federal Government inherently had the right to regulate the railroads for the public interest of the whole Nation. By an act of the Seventy-fourth Congress, Congress decided that the same sort of regulation is necessary for busses and trucks on the national highways in interstate commerce.

Let me read an extract from the message of the President dated June 7, 1935:

> It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of

transportation, great expenditures of Government funds for the development of waterways and for the building of great highways, and the development of invention within the railroad system itself, have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject. In some instances the Government has helped a little. In others it retarded. In still others it has given special assistance from time to time—in many instances without rime or reason—in all instances without considering each aspect of the problem in the light of all the others. It is small wonder that in a transportation picture so confused, the public has been inadequately served.

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation. I now wish to draw together and supplement these various suggestions for the consideration of the Congress in this session.

* * * * * * *

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air carriers. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general accord with the substance of this legislation although I still maintain, as I indicated in my message on that subject, that a separate commission need not be established to effectuate the purposes of such legislation. Air transportation should be brought into a proper relation to other forms of transportation by subjecting it to regulation by the same agency.

* * * * * * *

It is my hope that the Interstate Commerce Commission may, with the addition of the new duties that I have indicated, ultimately become a Federal Transportation Commission with comprehensive powers.

Senate bill no. 3420 of the Seventy-fourth Congress was favorably reported by me to the Senate on August 15, 1935, with this statement:

The Committee on Interstate Commerce, to whom was referred the bill (S. 3420, introduced today) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by air carriers operating in interstate or foreign commerce, and for other purposes, having considered the same in committee-print form and authorized its introduction, report the bill back favorably with the recommendation that it be passed at this session.

The bill provides for the regulation of all air carriers and airport operators who operate regular schedule service. The regulation is adapted to the special characteristics of transportation by air and is carried no further than is necessary in the interest of the public and of the carriers and airport operators.

The Interstate Commerce Act, which the Commission now administers, applies to steam railroads, electric railways, express companies, sleeping-car companies, pipe lines, motor carriers, and steamship lines controlled by railroads, and to the joint operations of rail and water lines. Neither air carriers nor airport operators are now subject to regulation by the Interstate Commerce Commission except as to air-mail rates.

In recent years there has been an extraordinary growth of transportation by air. The air lines cover the country, carrying many thousands of passengers and much express and mail, and are engaged in intensive competition with each other and with railroads and other carriers. This competition has been carried to an extreme, which tends to undermine the financial stability of the carriers and jeopardize the maintenance of transportation facilities and service appropriate to the needs of commerce and required in the public interest. The present chaotic transportation conditions are not satisfactory to investors, labor, shippers, or the carriers themselves. The competitive struggle is to a large extent unequal and unfair, inasmuch as the railroads and motor carriers are comprehensively regulated, the water carriers are regulated in lesser degree, and the air carriers are scarcely regulated at all.

In 1933 the Congress, recognizing the existence of an emergency in transportation, enacted the Emergency Railroad Transportation Act, 1933, providing, among other things, for a Federal Coordinator of Transportation, and imposing upon him, among other duties, that of studying means not provided in the act for improving transportation conditions.

Pursuant to the authority of that act, the President, in June 1933, designated Commissioner Joseph B. Eastman as Coordinator, and he has made three reports to the Congress, viz, Regulation of Railroads (S. Doc. 119, 73d Cong., 2d sess.), Regulation of Transportation Agencies (S. Doc. 152, 73d Cong., 2d sess.), and Report of the Federal Coordinator of Transportation, 1934 (H. Doc. 89, 74th Cong., 1st sess.). Since June 1933 the Coordinator has made elaborate surveys and studies of the need for regulation of transportation agencies. In addition to the various reports of the Coordinator, the President appointed the Aviation Commission (Air Mail Act, June 12, 1934), whose report was transmitted to the Congress by the President January 31, 1935 (S. Doc. 15, 74th Cong., 1st sess.).

Pursuant to the Executive order of July 11, 1934 (sec. 5, Economy Act, 1934), the Postmaster General made a report on foreign air-mail contracts, which was transmitted to the Special Committee to Investigate Air-Mail and Ocean-Mail Contracts and is printed in part 3 of the Investigation of Air-Mail and Ocean-Mail Contracts (74th Cong., 1st sess., beginning at p. 701). In addition to these reports of the various Government departments, the committee of the Senate appointed, pursuant to Senate Resolution 349, Seventy-second Congress, investigated thoroughly the whole aviation industry.

As a result of these exhaustive and analytic reports and studies the absolute necessity for Federal regulation of air transportation has been recognized.

Hearings were held on the bill (S. 3027), and the printed record of these hearings consists of 162 pages of testimony and statements.

Federal regulation of air carriers and airport operators engaged in interstate or foreign commerce has the support of the Secretary of Commerce, the Coordinator of Transportation, the Interstate Commerce Commission, Chairman of Federal Aviation Commission, and outstanding individuals in the aviation industry, air-line operators, and air-line pilots' association. The views of the several bodies and groups mentioned were fully developed at the hearing, and the committee also received and has on file a large number of letters, telegrams, and statements in support of the bill.

Because of the lack of proper legislation the air-transport industry has not had the benefit of proper coordinated regulation.

This bill is a part of a complete and coordinated program of legislation touching all forms of transportation recommended by the Federal Coordinator of Transportation. The ultimate objective of the entire program is a system of coordinated transportation for the Nation, which will supply the most efficient means of transport and furnish service as cheaply as is consistent with fair treatment of labor and with earnings which will support adequate credit and the ability to expand as need develops and to take advantage of all improvements in the art. All parts of such a system of transportation should be in the hands of reliable and responsible operators whose charges for service will be known, dependable, and reasonable and free from unjust discrimination. This bill proposes to bring about such conditions among the interstate and foreign air carriers, the only ones now almost wholly unregulated by Federal authority.

I have reported Senate bill 2. Senators have a copy of the report before them accompanying order of business 702 on the calendar. The printed record of the hearings on Senate bill 2 and Senate bill 1760 consists of 599 pages.

Hon. Joseph B. Eastman; Hon. Jesse Jones; Hon. Fiorella LaGuardia; Jack Frye, president of Transcontinental & Western Air; G. B. Brophy, counsel for T. W. A. and Eastern Air Lines; C. R. Smith, president of American Air Lines; Paul A. Wright, representing United Air Lines; C. Bedell Monro, president of Pennsylvania Air Lines; Col. Edgar S. Gorrell, representing all the domestic air lines and Pan-American Air Lines; David L. Behncke and Edward G. Hamilton, president and secretary of the Air Line Pilots Association—all urge the enactment of Senate bill 2. The press of the United States almost unanimously urges the passage of Senate bill 2.

In its declaration of policy the bill points out a threefold function of the air-carrier industry which is recognized. This function has to do with, first, commerce; second, the Postal Service; and, third, the national defense.

From its very inception air transportation has been a waif in the field of commerce. It has been batted about from pillar to post, and it is high time for it to be recognized as a public necessity and given a permanent place in our national transportation system.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Missouri yield to the Senator from Illinois?

Mr. TRUMAN. I yield.

Mr. LEWIS. Does the Senator suggest in his bill that the subject matter be put under the jurisdiction of the Interstate Commerce Commission?

Mr. TRUMAN. Yes; the bill is the bill of the Senator from Nevada [Mr. MCCARRAN], and it places air transportation under the Interstate Commerce Commission.

Mr. LEWIS. May I take the liberty to ask, Is it the assumption of the Senator from Nevada that the subject matter of the bill is to be put under the jurisdiction of the Interstate Commerce Commission and treated in the same way in which the railroads are treated?

Mr. MCCARRAN. Mr. President, the bill provides that the Interstate Commerce Commission shall take direction and supervision over air lines and over air transportation along the same lines on which it has taken supervision over other methods of transportation. In other words, the bill carries out the spirit of the message of the President of the United States, in which he urged the coordination of all the methods of transportation under one head, namely, the Interstate Commerce Commission.

Mr. LEWIS. There is no attempt by the bill to create a new commission, a new body, for the purpose of executing the provisions of the bill?

Mr. McCARRAN. There is not.

Mr. LEWIS. That answers my query, and I thank the Senator from Missouri for yielding.

Mr. BARKLEY. Mr. President, will the Senator from Missouri yield in order that I may ask both him and the Senator from Nevada a question?

Mr. TRUMAN. I yield.

Mr. BARKLEY. There is considerable difference between the scope of Senate bill 2 and Senate bill 1760.

Mr. TRUMAN. They cover two entirely different subjects.

Mr. BARKLEY. I think it is Senate bill 2 which undertakes to place the air lines under the jurisdiction of the Interstate Commerce Commission.

Mr. TRUMAN. That is correct.

Mr. BARKLEY. Senate bill 1760 deals with other phases of aviation. To what extent will that arrangement affect the power or the authority of the Post Office Department?

Mr. TRUMAN. If the Senator will be patient, I will explain that very thoroughly.

Mr. BARKLEY. Very well; I will not intrude now.

Mr. TRUMAN. I quote from the 1935 Report of the Federal Aviation Commission:

> In the course of our study, by personal inspection and interview and by formal hearings, certain facts have become apparent. It has become apparent that there exist in the United States today air transport organizations at least the equal, and in certain respects very definitely the superior, of any others in the world; that American air-transport equipment as developed in the last 3 years is generally recognized as occupying a position of world leadership, and that European constructors, once prone to scorn American aeronautical activities, have been visiting our shores in steadily increasing numbers as earnest seekers after information on the methods whereby such remarkable characteristics are obtained; that American transport lines handle a larger volume of traffic than the lines of all the rest of the world combined, and with a safety record unexcelled by the lines of any nation and quite unapproached by most (p. 3, Federal Aviation Commission Report, Jan. 31, 1935).
>
> The claim of world leadership in the air-transportation industry for the United States is no idle boast. The volume of air-passenger traffic under the American flag now exceeds that of all the rest of the world combined. The record indicates that the American air lines, as now constituted, render a highly useful public service, and that they should be maintained upon a high plane of efficiency (74th Cong., Report of the Federal Aviation Commission, 1935, p. 44, par. 2).
>
> It appears from all that we can discover of the record at home and abroad that nowhere else are passengers, mail, and goods carried with such regularity and speed, by day and night, with such comfort and convenience to the user of the service on anything like so broad a network as that provided by our major air lines. It appears, on the other hand, that a considerable part of the Nation's air-transport system is running at a steady loss, and that operations cannot continue indefinitely under present conditions (74th Cong., Report of Federal Aviation Commission, 1935, p. 3).

This bill, if passed, will become part III of the Interstate Commerce Act. It is just another step in the coordination of the country's transportation system. Air transportation is our baby in transportation, a healthy, hardy infant, and one fast growing to maturity. Ten years ago, 8,679 passengers were carried by air, and 1,654,165 pounds of mail. Last year, 1936, 1,147,969 passengers were carried, 18,324,012 pounds of mail, and 9,000,000 pounds of express. (Air Commerce Bulletin, vol. 8, no. 12, June 15, 1937.) Perfection is coming in air transport and its importance to the country cannot be overestimated. We cannot, we must not, make air transportation of this country a system of star routes for mail service. There is no more reason for air transport being an adjunct to the Post Office Department than there is for the railroads, the steamship lines, or the busses and trucks to be.

Senate bill 2 proposes to bring about regulation of interstate, overseas, and foreign air carriers in the public interest. It is the only form of unregulated interstate transportation. I quote from the report on House bill 7273:

> Present legislation covers only the air-mail contractors and is limited solely to regulations regarding the carriers of the air mail, with definite mileage limitations as to the amount of service which may be instituted. Nonmail air carriers are subject to no regulation whatsoever except the limited safety regulation imposed by the Bureau of Air Commerce.
>
> The present air-transportation system has been developed at great expense both to the Government and private industry, to say nothing of the lives taken during this development. It is now seriously threatened by the initiation of unregulated air lines, unhampered by any duty to perform the governmental service of carrying mails, and not covered by the present law. The Government cannot allow unrestrained competition by unregulated air carriers to capitalize on and jeopardize the investment which the Government has made during the past 10 years in the air-transport industry, through the mail service which was planned to permit, and at present is permitting, the Government to carry on its Air Mail Service at constantly decreasing costs per unit.
>
> The needs of the public require the immediate extension of Government control to the air-transport industry. In order to prevent chaotic conditions and promote the rapid growth that comes with orderly regulation, this need should be fulfilled at the earliest practicable date.

I have the highest regard for the Post Office Department and for that Department's ability to handle the mail. When I think of the romance of the conquest of the West I think of the pony express and the stagecoach loaded with mail, the stagecoach in which Horace Greeley rode from St. Joseph, Mo., to Salt Lake City, Utah, and on to San Francisco, the stagecoach about which Mark Twain wrote so entertainingly in Roughing It. I think of the golden spike which completed the Pacific railroad and put the stagecoach and pony express out of the mail business. The Post Office Department has always been first to utilize fast transportation for the mail. Air mail came out of the development of war planes from 1914 to 1918. I want the Post Office Department to have complete control of the mail, but I do not want the Post Office Department to control one of our great transportation systems.

This bill does not take away any of the powers of the Postmaster General over the air mail. It gives him every power he now possesses over railway mail, and there is nothing in the bill to prevent his establishing air-mail star routes if he deems it to be in the public interest to do so. He can establish an air-mail star route from Pohick to Accotink, Va., or from Peculiar to Useful, Mo., or from Tombstone, Ariz., to Dutch Flat, Calif., if he so desires. Senate bill 2 contains the substance of provisions in the Air Mail Act of 1934, as amended, in regard to preventing monopoly, protecting the public from interlocking directorates, and control of air lines by aircraft manufacturers. In addition to other things, it protects labor exactly as does section 13 of the Air Mail Act. It gives access to the books and accounts of the carriers so that high rates and unreasonable profits are not possible.

The bill places air transportation under the bipartisan Interstate Commerce Commission, where it belongs. The Interstate Commerce Commission already controls railways, inland waterways, and highway transportation. Fifty years of experience are behind it. It has a most distinguished record. The experts of the Commission are trusted by the public and by the persons it regulates. No single step could do more than this to place public confidence in the airways. Transportation should be no political football.

England, France, Germany, Russia, all realize what air transport means to national defense. Only poor old Uncle Samuel is muddling with his civilian air transport. This bill will stop the muddling and inaugurate a real policy—a policy which will make commercial aviation a second line of defense, just as the merchant marine is the second line of the Navy, and the Reserve Corps is the second line of the Regular Army and the National Guard.

Aviation has become the eyes of the Army and the Navy, as well as a defense against bombing attacks of a possible enemy. Large numbers of trained pilots will be most essential, should an emergency ever come. Commercial aviation will be the place to get them. Large production problems will face both Army and Navy in the event of war. Commercial production factories are the only sources from which we can get war planes. We must, therefore, realize the necessity of portecting and encouraging commercial aviation. I believe that time has arrived, and that the enactment of Senate bill 2 will help materially in accomplishing that very result.

Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks excerpts on the subject in question from editorials published in various newspapers throughout the country.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matters referred to are as follows:

[From the Topeka (Kans.) Capital of Apr. 18, 1937]

I. C. C. CONTROL FOR AIR LINES

Operators of the transport air lines are agitated because the United States Chamber of Commerce advocates placing them under the Interstate Commerce Commission. They claim that this is but another step toward Government ownership of the transport planes, although the I. C. C. has regulated the railroads for many years and the roads still are in private hands.

In view of the recent serious accidents, with loss of all on board the transport planes, it appears that some sort of enforced safety measures are due. The railroads did not enter seriously into safety programs until required by the Interstate Commerce Commission regulations.

The Chamber of Commerce suggests that legislation placing the air lines under the I. C. C. should not rigidly follow the railroad pattern but should "be adapted to the special requirements of the industry." The general public does not know much about the problems confronting the air lines, but it does know that nine major accidents in 8 months creates a serious question as to whether the transport companies are taking every precaution for the safety of their passengers.

[From the Boise (Idaho) Statesman of June 1, 1937]

UNDER THE INTERSTATE COMMERCE COMMISSION

A bill amending the Interstate Commerce Act to provide for Interstate Commerce Commission regulation of air lines engaged in interstate transportation of persons, mail, and property is before Congress with the approval of the Air Transport Association of America.

Railroads and motor transport in interstate commerce have long been under such regulation and, though the regulation is stern, it also protects those carriers against irresponsible competition, which could never be of any long-range benefit to the general public.

The amendment to include air lines is being supported by all the big transcontinental air-line companies, for they have suffered by fly-by-night operators. Doubtless they realize that the Interstate Commerce Commission will be rigid in its control of their own lines, but they are more than willing to accept this in return for the protection.

The measure seems eminently fair and consistent with the best public policy.

[From the New York Evening Post of Apr. 14, 1937]

SHORT CUT THROUGH THE AVIATION MUDDLE

It seems to us the shortest, quickest way through the aviation muddle is prompt passage of the McCarran bill to transfer control of commercial aviation from the Commerce Department to the Interstate Commerce Commission.

That body already controls railway and inland waterway transportation. It has 50 years of experience. Its record is a distinguished one. Its experts are trusted by railroad executives and by the public.

No one single step could more quickly restore public confidence in the air lines than this. In place of reactionary hush-hush and political administration by Secretary Roper and his clique, we would have administration by a progressive agency which is free of politics.

The I. C. C. could plan aviation development to coordinate with existing transport methods. Under its overseership the protection of the Railway Labor Act could be extended to air pilots. A national air program could be worked out.

Let's take the air lines away from Roper if we can't take Roper away from the air lines.

[From the Louisville (Ky.) Courier-Journal of Apr. 1, 1937]

FEDERAL CONTROL OF AIR LINES

Joseph B. Eastman, former transportation coordinator, makes a telling argument for unified Federal control over air transportation in endorsing the Lea bill giving the Interstate Commerce Commission wide powers over the commercial air lines similar to that exercised over railroads and busses. Mr. Eastman characterizes as "confusing division of authority", the joint jurisdiction over aviation now exercised by the Post Office, the Commerce Department, and the Interstate Commerce Commission.

"It appears, therefore", he told a House committee yesterday, "that without some governmental supervision over rates, fares, charges, and practices in the transportation by air of both persons and property as well as mail, a situation will be created that will endanger commercial air transportation in the United States."

Nothing could be more timely than unified Federal control over commercial aviation. There have been six major crashes of air liners since December 15, with a total fatality list of 56. Investigations are conducted, but little is done to insure safety. Usually the Department of Commerce is blamed for the failure of its radio beam or the service it gives to commercial lines, but those lines are not required to install expensive equipment that would minimize the hazards of flying. Every accident is followed by some kind of buck passing, to the end that more lives are lost and air transportation suffers.

Because of its hazards air transportation should be subjected to even a stricter regulation than railroads and busses. The Interstate Commerce Commission is the logical agency for this protection of the air lines as well as the public.

[From the Syracuse (N. Y.) Herald of Apr. 14, 1937]

AS TO AVIATORY REGULATION

Mayor LaGuardia, testifying before a Senate committee, expresses the belief that aviation should be entrusted to the regulatory control of the Interstate Commerce Commission. That control is now vested in the Commerce Department. Many air-line pilots favor the change. The mayor advocates it because the Commerce Department's function has been to promote aviation while the Interstate Commerce Commission is a regulatory body with 50 years' experience. It is timely to repeat here a part of the mayor's testimony before the committee:

"The dispatching of planes in bad weather is now entirely under control of the air-line operators and competition forces them to take chances. The operators say that whether to take off is left to the discretion of the pilots, but it's just too bad if the pilot of one company takes off and completes his trip and another doesn't.

"There ought to be a dispatcher at the main terminals who would rule whether it was safe to leave. It's poor sportsmanship to put the blame for accidents on our pilots, who are the best in the world. They have more responsibility than the captain of an ocean liner for they have to make instantaneous decisions and can't take leisurely bearings."

Whether the LaGuardia recommendations point to better regulatory and safety legislation or not, they come from a man who speaks with considerable authority on the subject, because of his World War ordeal as a flyer and his continued practical interest in aviation. His counsel to the committee seems as sensible as is needed. Recent air tragedies have certainly proved that much is lacking in the present system of regulation, and that the proposed transfer of supervision could hardly fail to be a change for the better.

[From the Salt Lake City Tribune of May 3, 1937]

INTERSTATE COMMERCIAL AIR SERVICE

A bill has been introduced in the Senate of the United States to amend the Interstate Commerce Act for the regulation of transportation, by air carriers, of persons and property, similar to the rules which govern such transportation by other carriers now subject to the jurisdiction of the Interstate Commerce Commission. The purpose of the measure is to take commercial aviation out of the control of the Post Office Department and place it in the same category as railway, truck, and bus lines. The natural result of its adoption will be to facilitate operations and give added protection to life and property entrusted to air carriers.

It is specifically provided that due consideration be given to all treaties and agreements now existing, or to be entered into, between this Government and foreign countries, where the passengers, mails, or merchandise are carried wholly by planes, or partly by other means of transportation. The postal service rendered will be subject to contract between the Post Office Department and the carrier companies in which all conditions imposed will be subject to revision and enforcement by the Commission.

Rates, fares, charges, and classifications are to be definite and uniform and no preference will be given to any patron of the service, either at airports or on the planes. Carriers may issue tickets, or passes, to their directors, officers, or employees, and their immediate families; to witnesses or attorneys attending investigations connected with the service; to persons injured in aircraft accidents, their nurses and physicians; to messengers carrying relief to victims of calamities and to Government representatives when requested by the heads of their respective departments; but no privileges are to be extended to individuals not specified in the act.

No officer or director shall serve more than one carrier company, unless duly authorized by the Commission after a thorough investigation of the advantage thus accruing to the general public. Penalties, including fines and imprisonment, are provided for violations of the law and no one connected with the Commission will be permitted to have a financial interest in any company engaged in air traffic.

While the jurisdiction of the Secretary of Commerce relative to safety measures and requirements is to remain unimpaired, it is believed that both safety and efficiency will be promoted, and confusion avoided, by uniting all forms of interstate commerce under one responsible head not directly interested in any shipments or patronage of the service.

From its inception, air transportation has been a waif in the field of commerce. It has been batted around from pillar to post and it is high time it was recognized as a public necessity and given a permanent place in our national transportation system.

[From the New York Times of June 8, 1937]

I. C. C. AIR CONTROL FAVORED IN REPORT—SENATE COMMITTEE COMMENDS BILL TO END POST OFFICE POWER OVER MAIL RATES

WASHINGTON, June 7.—A measure which would give the Interstate Commerce Commission as far-reaching powers over the air

lines, domestic and foreign, as it now has over the railroads was favorably reported in the Senate today by the Committee on Interstate Commerce.

The committee also reported favorably on another measure which would virtually strip the Bureau of Air Commerce of all its present functions in connection with the air lines and transfer them to the Commission.

Both bills were introduced by Senator McCARRAN, of Nevada. The first measure is in the form of an amendment to the Interstate Commerce Act and takes from the Post Office Department its present function of fixing rates on the air mail. It has the backing of the major air lines, principally because it provides for certificates of convenience and necessity, which would tend to "freeze" the present air lines in possession of the territory they now serve.

The second bill, to be called the Air Line Safety Act of 1937, if it is passed, provides for the creation of a Bureau of Air Transport within the Interstate Commerce Commission and an Air Safety Board to investigate air accidents and recommend safety provisions. Under the measure, the Commission would license air carriers and planes, pilots, engines, and accessories. The Commission also would be empowered to rule on hours of service of air-line employees.

The proposed amendment to the Interstate Commerce Act would give the Commission control over air lines plying between this country and foreign ports similar to that the Maritime Commission has over water-borne commerce, except that it makes no provision for subsidies. It does, however, provide for certificates of necessity and convenience outside the shores of the United States and gives the Commission power to fix rates on international air lines under the American flag.

A similar measure introduced by Representative CLARENCE LEA, of California, has been favorably reported in the House.

Opposition in both the House and the Senate is expected to develop through the introduction of other legislation. Tomorrow the Senate Committee on Post Offices and Post Roads is to start hearings on a bill introduced by Senator McKELLAR which provides for stronger Post Office controls over air lines in international operation. He has also introduced a measure enlarging the Post Office Department's powers over air lines.

[From the New York Wall Street Journal of Apr. 10, 1937]

AUTHORITY OVER AIR-MAIL PAY

If common sense is to have any standing in connection with regulation of transportation by air, the whole job will be turned over to the Interstate Commerce Commission for exclusive handling. It is the only way by which the industry can be protected from politics and given a chance to develop itself so as to render to the public the best possible service.

The Commission can deal with all the details of aviation as completely as it deals with those of railroading. Whatever criticisms can fairly be brought against its occasional mistakes in the latter activity, no one with any knowledge of the matter would entertain a suggestion for removal of its authority in any important particular and transfer of that authority to other hands.

Particularly important is it that the Post Office Department should be relegated to its proper place in relation to the industry, as has been done in the case of railroads. That place is no different from that of any other shipper of commodities. There is not a single good reason why rates for carriage of mails by rail or air should not be fixed on principles the same as those which apply to everything else transported by common carrier. There is no reason why owners of railroads or airplanes who pay plenty of taxes should be compelled to accord special privileges to the Post Office, and it is important to have an independent authority to see that they are not so compelled.

The Interstate Commerce Commission has dealt with railway mail pay more than once. The Post Office has on such occasions appeared as party litigant, as do all other shippers of commodities, and has presented testimony and argument in the customary form. The question of air mail pay should be handled in the same way. The Department has no more inherent right to fix rates for the air than it has to fix rates for the rail.

If the Interstate Commerce Commission were only half as intelligent and industrious as it is, the independence that it has conquered for itself against political interference would be amply determinative of the matter of air transportation and its regulation.

Let the job be given to the Commission.

Mr. McCARRAN. Mr. President, in connection with the speech of the able Senator from Missouri [Mr. TRUMAN], I ask unanimous consent to have printed in the RECORD at this point an article of date June 14, 1937, published in the magazine Time; also an editorial published in National Aeronautics for June 1937; also an article by the Senator from California [Mr. McADOO] published in the same periodical, National Aeronautics for June 1937; also an article published in National Aeronautics for June 1937 entitled "Today in Aviation"; also an editorial published in American Aviation for June 1, 1937, entitled "Pawns in the Game"; and, finally, an article by Mr. C. B. Allen published in the New York Herald Tribune on Sunday, May 2, 1937, entitled "Air Lines Face Possible 'War' Over Invasion of Each Other's Established Routes."

I desire to have these articles and editorials printed in the RECORD at this point in connection with the address of the Senator from Missouri.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The articles and editorials are as follows:

[From Time for June 14, 1937]

TRAVESTY

United States air lines are in much the same position as adolescent children of divorced parents. By the terms of the divorce (the Air Mail Act of 1934, passed after the celebrated Farley-Roosevelt air-mail cancelation), "Mother" Interstate Commerce Commission has influence, some jurisdiction. But "Father" Post Office—by control of the air-mail subsidy—has the whip hand. "Mother" I. C. C. would like to let the growing business expand in healthy exuberance. "Father" Post Office, remembering the air-mail scandal, treats the air lines like boys in a reform school.

This situation has resulted in freezing the lines in practically the same status they found themselves in when the Air Mail Act of 1934 was passed. Though there are many places in the United States where extension of routes would benefit both Nation and air lines, such expansions have almost always been forbidden. Sample case was the rejection 2 months ago of Transcontinental & Western Air's application to inaugurate useful service between Albuquerque and San Francisco (Time, Mar. 22). Last week American Airlines was similarly forbidden to inaugurate service between Detroit and Cincinnati and between Detroit and Indianapolis via Fort Wayne. The Air Mail Act prohibits a new service which might compete with an established one, even if the public's best interests might thus be served.

To improve this awkward arrangement no less than seven bills were introduced in the present Congress. Two have now merged into the McCarran-Lea bill, which would put the air lines almost entirely under the nonpolitical jurisdiction of the I. C. C. This bill emerged from committee last week and is soon to face a vote. Few sincerely air-minded persons in the United States oppose it. The Air Line Pilots' Association unanimously voted in favor of I. C. C. jurisdiction; all the air lines devoutly hope the McCarran-Lea bill will pass. They have, however, been slow to say so because they fear offending the potent Post Office, which also has a bill in Congress—the Mead bill giving it even greater power over aviation than it has now.

This legal rivalry has smoldered for months in Washington. To oppose the McCarran-Lea bill the post office has lately softened its harsh attitude toward the lines, gone out of its way to give them what they asked. Example was permission to United Air Lines last month to fly into Denver (Time, May 10). To make this new service jibe with the Air Mail Act, Solicitor Karl A. Crowley had to devise a totally new concept—that an air line is a "zone of influence" instead of a geometric line. Last week post-office men in Washington revealed that they will soon advertise for bids for a number of important new air-mail routes, one of which is the flight from Winslow to San Francisco that was denied to T. W. A. only 2 months ago.[1] Almost every air line in the United States is seriously affected by these proposed new routes, and air-line officers last week freely predicted that the scramble for contracts would rival the furor caused by the 1934 cancelations. How most of them feel was expressed in an editorial in a new magazine named "American Aviation", whose first issue appeared last week.[2] Excerpt:

"The Post Office opposition is no mystery. A politician has to have in his bag of tricks a group of favorites. In the present situation the air lines are one of the pawns. Political groups must pay communities off in the cheapest coin necessary. Air mail is one way of paying political debts. * * * Only the other day some ebullient Congressman introduced a bill to set aside May 28 as 'Aviation Day.' What a travesty!"

[From National Aeronautics for June 1937]

A GOOD BILL

The McCarran-Lea bill should be passed at this session of Congress.

In taking this definite stand we realize that there may be a number of minor features of the bill which may need clarification or revision. Neither we nor a large percentage of our readers are legal experts. Our stand is based merely upon the significance of the main features of the bill and the very urgent need for their enactment into law if we are to give our air-transport system a timely opportunity for orderly development.

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[1] Others in order of probability: Washington to Buffalo via Baltimore and Harrisburg; Jacksonville to Mobile via Tallahassee; Pittsburgh to Chicago via Dayton; Houston to Corpus Christi; Huron, S. Dak., to Cheyenne; Denver to Kansas City, Memphis, and Birmingham.

[2] An informative, slick-paper bimonthly, selling for $3 a year, edited by outspoken Wayne W. Parrish, one time editor of National Aeronautics Magazine. Copublishers with him are the Stackpole brothers (Maj. Albert Hummel and Gen. Edward James), publishers of the 104-year-old Harrisburg (Pa.) Telegraph.

By far the most important feature of this legislation is that it will turn over to the Interstate Commerce Commission the control of the economic phases of scheduled air transport.

At the present time only those air-transport companies which have air-mail contracts are subject to regulation. Under this bill all operators of interstate transport service, whether they have mail contracts or not, will be placed under the jurisdiction of the Interstate Commerce Commission. Since it is imperative that this highly specialized form of transportation should be conducted on the highest possible plane, there is no place in it for cutthroat and unregulated competition.

It is significant to note that this bill provides for the air lines identically the same type of regulation now in force for railroads and motor-bus lines. In fact, wherever possible, the language of this bill is copied verbatim from similar laws covering rail and bus transportation.

The provision for the issuance of certificates of convenience and necessity will relieve the Government of the burden of making up the losses to air-mail contractors because of the competition of unregulated groups.

We take issue directly with the Department of Commerce when they state that the issuance of such certificates is apt to retard the expansion of our air-transport system. As a matter of fact, by having these certificates issued by the Interstate Commerce Commission wherever the potential passenger and express service warrants such extension rather than having extensions controlled entirely by the Post Office Department merely on the basis of the air-mail possibilities along the routes, it is evident to anyone that our system will grow much more rapidly and soundly than it has in the past.

The bill vests in the Interstate Commerce Commission the right to grant or refuse authority to operate from one point to another with all classes of traffic except mail. In the case of mail, the Postmaster General must initiate any requests for additional service. However, the Interstate Commerce Commission may refuse to grant the authority for such service if it does not consider it warranted in the interests of the public's convenience and necessity. The vesting of this authority in the Interstate Commerce Commission is entirely logical because with the development of our air transport system practically two-thirds of the revenue is now derived from passenger and express service. Consequently, it just doesn't make good sense to leave the control of the air transport systems in the hands of the Post Office Department now that the air-mail revenue represents only one-third of the total, and is growing less.

We do not consider the advocacy of this change as a slap at the Post Office Department. It is merely an admission that the air transport industry has grown to the point where the interests of the Post Office Department are subordinate to passenger and express service. The Department can turn over to the Interstate Commerce Commission its broader control of air transport with considerable satisfaction over the progress which has already been made in this newest of all forms of transportation. Obviously the Post Office Department will continue to exercise its legitimate control over the strictly air-mail service.

It should be noted also that the bill does not interfere in the least with the activities of the Bureau of Air Commerce in its airway inspection, and regulation service.

To summarize, then—the highly important and desirable features of the bill are, simply, (1) the provision for the issuance of certificates of convenience and necessity, so as to avoid unfair and destructive competition, and (2) the vesting in the Interstate Commerce Commission of authority to approve or disapprove requests for extensions of or additions to our air transport system.

Of course the bill contains other provisions which legislative experts must either approve, revise, or eliminate before its final passage. We have enough faith in Congress to feel that there are sufficient brains, ambition, and interest in the welfare of our Nation to see that all the details are properly taken care of.

THE PEOPLE ARE SPEAKING

The aviation people can feel gratified with the fact that Congress and other Government officials are manifesting a deeper and more intelligent interest in aeronautical problems. It is quite clear, for instance, that increased air facilities in the national air defense are being considered seriously and constructively.

There are many aviation bills pending before Congress, most of which will not be passed, but out of the whole a certain amount of good legislation will be enacted.

The telling effects of a widespread public interest in these matters is apparent. In contemplated measures for air defense public opinion has been a decided factor. Information given through these columns showing the unfortunate position of the Nation as compared to other great powers has created a profound impression.

In line with American ideals and their desire for international peace people are awakening to the fact that a dollar buys more defense security in the air than in any other place.

Resolutions, letters, and communications that National Aeronuatics Association chapters and other aviation friends have directed to their Washington representatives have not only been highly informing but they serve properly to acquaint the Government with public opinion. For the most part such expressions of thought are those that come from patriotic people who have no selfish interest at stake and therefore their influence is multiplied. In civil aeronautics the effect has been the same.

It is safe to assume that, this being a representative Government, its officials will wish to heed the will of the people whenever they know what that is. In the meantime we may be happy in the knowledge that public opinion is bearing fruit and therefore we can redouble our efforts to advance the same.

[From National Aeronautics for June 1937]

McADOO URGES AIR CONTROL

Rarely has a radio audience been permitted to listen to a more timely and constructive address on aviation than that delivered by Senator W. G. McADOO over a Nation-wide network of the National Broadcasting Co. on Tuesday evening, May 25.

The former N. A. A. president spoke on the radio forum sponsored by the Washington Star, and in the course of his address covered in nontechnical language the most recent developments in the aeronautical world and indicated some of the problems that must be met and solved.

The Senator stressed the need for a greatly increased development in air defense. "I am firmly convinced", he said, "that with an adequate Navy and air force we can keep the United States at peace with the rest of the world, and I am equally convinced that without it we shall court unnecessary and grave danger in the future. I speak with some knowledge when I say this, because I am certain that if the United States had possessed a navy in 1917 capable of taking command of the sea we would never have become involved in the World War. Let us never again repeat that error. The best guaranty of peace for America is to be prepared, not for aggression but for the assertion and maintenance of every vital American right. I am strong for peace and I am strong, too, for national security, because our ability to maintain our national security means, in my opinion, peace."

Turning next to Federal supervision of aeronautics, Mr. McADOO indicated the various Government divisions that have some authority over commercial aviation and urged the need for concentration in a single, responsible bureau or individual commission.

"In our country we are making a grave blunder in giving no authoritative or organized direction to the development of commercial aviation.

"There should be a concentration of authority over commercial aviation so that all phases of this great development may be under highly informed and skilled direction. Some of the European governments already have air ministries, which are equivalent, in our country, to a Secretary of Air Commerce. In other words, they have dignified it with a cabinet status. While I do not advocate that such a Cabinet position should be created now, it is essential, in my judgment, to concentrate the authority in some responsible bureau or independent commission of the Government.

"In the Senate and in the House of Representatives, this great and rapidly developing, highly technical and important industry is a side issue to certain of their standing committees. There should be, in my judgment, a standing committee of both Houses of Congress, charged with the sole duty of considering aviation legislation. More and more, as time goes on, this will become obvious and urgent.

"At present our Government has no definite commercial aviation policy, and it can have none until we effect the necessary organization to study it and to formulate it. Once this is done, we can drive consistently and persistently at a definite objective in the general development of aviation for our economic and social requirements. One thing is certain, and that is that our Government should give every proper aid and encouragement to the development of aviation. All nations are doing this, and we should not be indifferent or oblivious to the necessity for reasonable popular support.

"A haphazard growth of air facilities over land and over sea will render us a Nation less capable of doing the things necessary to meet the highest demands of our people now and in the future. We shall prove recreant to the duty imposed upon us by manifest destiny if we sit complacently and with obscured vision."

[From National Aeronautics for June 1937]

TODAY IN AVIATION

(By the N. A. A. Observer)

Today in aviation the interest of the ordinary American citizen centers around the benefits which aviation can bring to an advancing civilization. His imagination is staggered by the possibilities he sees in frequent air service across the Atlantic and the Pacific. His dreams are shattered by such overwhelming catastrophes as the crash of an airliner or the burning of the *Hindenburg*. In previous years he has had little in the way of carefully compiled and accurate facts to guide his thinking. Most of the facts that were available were hidden in Government reports and uninteresting statistical tabulations.

The Air Transport Association of America has performed a real public service by preparing and distributing a booklet on air transport entitled "Little Known Facts." A careful study of the charts in this booklet will show—

That plane miles flown on scheduled air lines have increased from less than 1,000,000 in 1925 to almost 40,000,000 in 1935.

That in the same period the speed of planes in transport use has increased from 115 miles per hour to 212 miles per hour.

That pounds of air mail carried have increased from 1,000,000 in 1926 to over 15,000,000 in 1936.

That pound-miles of domestic air mail have jumped from four and one-half billions in 1933 to almost ten billions in 1936.

That the number of passengers carried by air liners has more than doubled since 1934.

That the number of miles flown each day by United States domestic and foreign air services has increased from less than 20,000 miles in 1926 to more than 200,000 miles in 1936.

That every day America's air lines fly with passengers and cargo a distance more than eight times around the world at the Equator.

That every second of each day an average of 1,050 passengers and more than 14 tons of mail are being transported by scheduled air liners of United States registry.

These impressive facts are of tremendous importance to the ordinary American citizen. They not only indicate the vital part air transport is playing in the everyday life of the Nation, but they also show that American aviation is literally flying forward with constantly increasing acceleration. In units of time, air transport has shrunk the map of the United States to one-third its former size.

Impressive as are these facts, there is one additional fact which stands out beyond all others and which shows the result of having no adequate national air policy. During the years since 1931, while United States domestic air lines were increasing the number of plane-miles flown annually from thirty-five and one-half million miles to almost 60,000,000 miles, the yearly expenditures of the Federal Government for construction of new and additional aids to air navigation were cut from $2,250,000 to the paltry sum of $87,000. During the years 1933 and 1934 not one dollar was expended from regular appropriations for construction of new and additional air navigational aids.

While the operators of American air transport lines, with characteristic American genius, have built up an air transport system that has been labeled "the eighth wonder of the world", the American people have not known that their Government was following no carefully planned national air policy and was failing to do its part. In the future they must be given a better opportunity to know the truth.

When the "little known facts" presented by the Air Transport Association of America become well known, an informed public opinion cannot fail to demand that Congress give the Nation a well-rounded, carefully planned policy calling for the rapid development and intelligent regulation of civil aeronautics. And at that time Congress cannot avoid its responsibility for the failure of the Federal Government to recognize the important place aviation has come to play in America and the world.

[From American Aviation for June 1, 1937]

PAWNS IN THE GAME

The present air-mail situation is about as sordid a commentary of political manipulation as can be found in American history. It isn't enough that the Post Office Department is playing the air-line operators for a bunch of suckers; even some of the air-line boys "down the line" have fallen like a ton of bricks for subtle Post Office propaganda and have been hypnotized to the proper Post Office frame of mind.

What we are referring to is the legislative program for the air lines now pending before Congress and the new air-mail contracts which the Post Office is about to advertise. The two cannot be considered separately. They have formed a political battlefield, the results of which might even lead to such an extreme as another cancellation and a ruinous price war.

In the first place this is an extremely important year for the air lines. All previous efforts to secure constructive legislation which would take the air lines out of the political realm of the Post Office and place them under the sane and fair regulation of the Interstate Commerce Commission (along with the railroads and bus carriers) have failed. When the present Seventy-fifth Congress opened air-line legislation was introduced immediately (Senator McCARRAN's bill (S. 2)). Representative CLARENCE LEA, of California, probably the air lines' best friend in the House, introduced another bill which pleased the air lines even more. Senator McCARRAN promptly introduced the LEA bill into the Senate as Substitute S. 2, so that when the bills are finally reported out for debate, which will be soon, they will be identical.

It is important to note that the McCarran-Lea bill is opposed by only two groups—the Post Office and the Department of Commerce. At the hearings held earlier this year the Department of Commerce had a difficult time explaining why it opposed the bill, but the Post Office opposition is no mystery. A politician has to have in his bag of tricks a group of favorites. In the present situation the air lines are one of the pawns. Political groups must pay communities off in the cheapest coin necessary. Air mail is one way of paying off political debts.

BID LOW OR ELSE

There is nothing mystical about all this. It is common everyday procedure. The political system is inherent in our form of government and we have seen it exercised in hundreds of ways. The big question before aviation, however, is whether this sort of control over air transportation is going to mean a healthy development of a new industry and a new mode of travel that hasn't even begun to reach into its infinite possibilities.

It is no secret in Washington that Representative JIM MEAD is going to get his Washington-Buffalo air mail that he's been fighting for. But it is not unrelated that JIM MEAD's bills pending before Congress are probably the least constructive and least progressive legislation proposed since the Air Mail Act of 1934. A Congressman cannot fight the Post Office and still get his pet route. It also is no secret about the Denver intermediate stop granted to United Air Lines; a political debt was paid to Denver, which wanted the air-mail route, but the Post Office had to stretch a long point of law to find a justification for tip-toeing around the Air Mail Act of 1934. (Incidentally in so doing the Post Office set a precedent of far-reaching magnitude which it may not even be aware of itself.) Also, it is no secret that First Assistant Postmaster General Bill Howes wants a new air-mail route through South Dakota, his home State, as part of the gravy he can take home with him.

All this is chicken feed, though, when it comes to the new air-mail routes which the Post Office will shortly advertise. The inside manipulation has reached almost scandalous proportions. Air-line operators have been called upon one by one. Independent operators have been contacted. The word has been passed around, as the Post Office can only pass word around, that "We're not interested in any bids over 17 cents a mile." Even lower bids are suggested "if you want the business—and if you don't want it, we know somebody that does." The Post Office has made it clear that unless low bids are received the contracts will not be let. It is certainly no secret that the Post Office is high pressuring the air-mail contracts to force through the Mead bill. "If you boys want some more air mail, you'd better help us get the Mead bills through."

DEFEATISM IS RIDICULOUS

Now, any air-line operator knows that a 17-cent rate for carrying the mail is too low. Why shouldn't the Government pay a fair rate for what it gets? Anything under 30 cents a mile should not be considered for multimotored equipment. The cost of operating one major air line is 60 cents a mile, while Lockheed service costs over 30 cents a mile. Then why should the Post Office play the air lines for a bunch of boobs?

The irony of all this is that some of the minor air-line executives have become victims of the Post Office. They have been spreading the word around that "S. 2 hasn't a chance." That's just what the Post Office wants. As a matter of fact, the McCarran-Lea bill has an excellent chance to pass the Seventy-fifth Congress. It is natural for the Post Office to try to defeat it, but it is ridiculous apathy for any air-line man not to resist pressure. The McCarran-Lea bill is the finest legislation the air lines have ever had proposed. Most of them have been working hard for it—but the laggards ought to wake up before it's too late.

Another unfortunate note of despair was the statement made in our hearing by an air-line man to the effect that "there are some changes that will have to be made in the McCarran bill before we'll let it go through. If they make the changes, then we will let it go through." This is childish talk. In the first place, no bill ever introduced or reported out in Congress was ever perfect. The best anyone can expect is to get a general principle adopted and take the best that can be obtained. Also, this individual was bragging in a way that is most damaging to the whole cause. Passage of the bill in no way depends upon the say-so of the air lines. This individual was in a spot where he should know that.

If it wasn't so serious, the situation would be amusing. Only the other day some ebullient Congressman introduced a bill to set aside May 28 as Aviation Day. What a travesty! If Congress wants to recognize aviation, it can do so by giving air transportation a chance to grow constructively, and it isn't getting that chance now. Congressmen can talk about Aviation Days when they do something to merit the honor.

The air lines have the best opportunity in air-line history to obtain constructive legislation at this session. Whether the McCarran-Lea bill is perfect or imperfect is beside the point. Everyone will agree that it would do more to advance air transportation than any other one factor. No air-line official should ever be caught talking pessimistically or bragging about his influence. The air lines aren't out of the political woods yet by a long shot.

[From New York Herald Tribune of May 2, 1937]

AIR LINES FACE POSSIBLE "WAR" OVER INVASION OF EACH OTHER'S ESTABLISHED ROUTES—COMPETITION UNDER THE DISGUISE OF "SEPARATE" FIRMS MAY REVIVE BOOM-TIME CUTTHROAT TACTICS—NEW YORK-BOSTON "INDEPENDENT" WITH VIDAL AS HEAD IS ONE OF SEVERAL SUCH ENTERPRISES EXPECTED—PENDING LEGISLATION MAY SETTLE PROBLEM BY PUTTING I. C. C. IN CONTROL OF AVIATION MAP

By C. B. Allen

Rumors are abroad in the aviation industry of an impending war between various air-line operators, of plans to go off the reservation and invade each other's territory with parallel services under the disguise of independently organized companies. It begins to look as if the boom-time, post-Lindbergh flight era of dog-eat-dog competition in air transportation is about to be ushered in again on top of all the headaches that have befallen the industry in the last 4 years. Some observers say that if the trend isn't checked it will end in chaos; others insist it is the only path to continued progress in aviation. Viewpoints probably depend to a large degree upon whether the prophet is striving to hold on to something he has or trying to lay hands on something he wants.

Under present air-mail laws, of course, one air line cannot establish parallel services in territory served by a rival company without jeopardizing its own Post Office Department contracts. Rates of pay under these are revised from time to time on the basis of the air lines' earnings from other sources, and the Government

logically enough, has refused to permit any off-line activities by one contractor which would cut in on the passenger and express revenues of another and thereby force it to make up the latter's losses in larger air-mail payments.

At the same time, neither the Post Office Department nor any other branch of the Government now has the power to prevent an operator without air-mail contracts from starting up a competitive passenger and express service on any route in the country which appeals to him, provided he meets the same standards of safety required of the established air lines.

OUTSIDERS EYE CREAM ROUTES

During the depression this possibility was only an academic menace—no one exhibited any serious interest in trying to run an air line without a guaranteed business backlog of air-mail patronage—but with the return of more prosperous times this picture is changing. Numerous outsiders are beginning to look with covetous eyes on the cream route monopolies of the current air-transportation map of the United States, and certain of the present operators have indicated their eagerness to find ways and means of extending their sphere of activities at the expense of their competitors.

One of the most probable and imminent developments in this field is a route between New York and Boston paralleling a service that has been maintained by American Airlines and its predecessor companies for 10 years. Reports indicate that this enterprise will be launched in the near future by a group with Eugene L. Vidal, former Director of Air Commerce, at its head and that the equipment to be used will be Douglas DC-2 monoplanes supplied by Transcontinental & Western Air's "Lindbergh Line" as these ships are replaced on T. W. A.'s route by newer and larger DC-3 Douglases which T. W. A. ordered some time ago.

Avowedly the deal between Mr. Vidal's group and T. W. A. will be an out-and-out transaction in second-hand airplanes for which T. W. A. has little or no further use. But American Airlines, a formidable business foe of T. W. A. in the transcontinental and New York-Chicago field, has already felt the sting of rate war and other competitive practices resorted to by its rival, and is inclined to no such innocent view of the "invasion" of its territory.

Possibly American is merely trying to head off Boston-New York competition by throwing a good bluff, but reports are getting around that, when and if erstwhile T. W. A. Douglases start flying between New York and Boston a fleet of similar ships which are no longer vital to American Airlines operations will be disposed of to an "independent" though friendly company for service on T. W. A.'s New York-Pittsburgh run.

It is also rumored that the "reprisal route", purely as a matter of business enterprise, of course, might be extended parallel to T. W. A.'s transcontinental run as far as Columbus, Indianapolis, and St. Louis. American Airlines happens to have radio stations and other facilities in Pittsburgh, Columbus, Indianapolis, St. Louis, and other cities along T. W. A.'s route which are used in connection with its present network of noncompetitive lines, and it could scarcely be penalized by the Post Office Department if it allowed a friendly company which had taken a batch of obsolescent airplanes off its hands to use these airway aids on reasonable terms.

The possibilities of this sort of cutthroat competition, once it is started by the major air lines, are almost limitless. Some of them feel that it is certain to be ruinous; others apparently are not so sure that the "chaos" it would create by throwing the air transportation picture wide open again might not prove beneficial in the long run, if not to aviation as a whole, at least to the surviving operators. Which is correct, and whether the industry ever will be forced to face this issue only time can tell.

At the moment a majority of those in the industry seem to favor legislation pending in Congress which would put the air lines wholly under control of the Interstate Commerce Commission and make it impossible for operators, be they air-mail contractors or otherwise, to set up new routes without first obtaining I. C. C. certificates of convenience and necessity such as must be obtained by railroads before they can establish a new line. The I. C. C. already exercises an important function with respect to the air lines in that it establishes equitable rates which must be paid them by the Post Office Department for flying the mail, but there is no present way of preventing unrestricted competition except on the part of companies which hold air-mail contracts.

Mr. Vidal contends that wide-open competition on such heavy-traffic routes as that between New York and Boston, New York and Washington, and New York and Chicago stimulates far more air travel than ever would result if any one line were allowed to have a monopoly. In support of this, he cites the record of the old Ludington Line from here to Washington, with which he was connected before becoming Director of Air Commerce; he says that so many passengers never have been carried between these two cities as were flown when Ludington and Eastern Air Transport were fighting for patronage on this run 5 years ago.

GOOD EVEN WITHOUT MAIL

And Mr. Vidal believes that with modern large-capacity planes, the sort of operation that enabled the Ludington Line to "stay in the black" during the time he was with the organization, despite the fact that it had no air-mail contract, will make it possible to run a New York-Boston passenger and express route on a very profitable basis. This is particularly true, in his opinion, because a nonmail contractor can set his schedules to suit the convenience of the traveling public and not the odd-hour requirements of the Post Office Department, which frequently motivate against paying passenger loads.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 106) to establish the Farmers' Home Corporation, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, to create a fiscal agent for the United States, and for other purposes.

Mr. O'MAHONEY. Mr. President, last evening, when the Senate took a recess, I was discussing certain desirable amendments to the pending bill. I find from the RECORD this morning, however, that I had not offered any of them. I now formally offer the first of the amendments.

The PRESIDENT pro tempore. The amendment offered by the Senator from Wyoming to the amendment reported by the committee will be stated.

The CHIEF CLERK. On page 21, beginning with line 23, it is proposed to strike out all after the word "act" down to and including the word "Government", in line 3, page 24, so that, if amended, the paragraph will read:

(h) Shall determine the character and necessity for its expenditures under this act; and

UNRESTRAINED EXPENDITURES

Mr. O'MAHONEY. Mr. President, this amendment modifies that provision of the pending bill which gives to the corporation which is created to administer the farm tenancy law the power to determine the character and necessity of its expenditures and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other laws governing the expenditure of public funds, and which makes the decisions of the corporation final and conclusive upon all officers of the Government.

As was pointed out yesterday, the purpose of this provision is to exempt this corporation from every provision of law which has been or may be enacted to restrain the expenditure of public funds and to impose economy upon administrative officers. Certainly there never was a time in the history of the United States when we should all be so agreed that economy should be made effective. Certainly, Mr. President, there never was a time in our history when it was so necessary that the Congress, responsible for making appropriations available to executive bureaus, should be careful to see that every law intended to prevent waste and extravagance should be made effective.

Mr. President, I have no intention of occupying the floor for any great length of time, and I expressly disavow any purpose here to impede the consideration of any other measure. I say that because the suggestion has been made that some of the discussion occurring here yesterday and today was not intended to illuminate the provisions of this bill. I want to make it perfectly clear that the remarks I am making are made in absolute good faith for the sole purpose of perfecting this measure.

Mr. POPE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. POPE. Is the Senator's amendment limited to subdivision (h) of section 6, on page 21?

Mr. O'MAHONEY. The amendment that is now being offered; yes.

Mr. POPE. Has the Senator offered amendments affecting other sections?

Mr. O'MAHONEY. Yes.

Mr. POPE. What are they?

Mr. O'MAHONEY. I presented an amendment yesterday, which I have revised today, to change the provision on page 20, lines 2, 3, and 4, which creates a board of directors of three persons employed in the Department of Agriculture, who are to be appointed by and hold office during the pleasure of the Secretary.

Mr. POPE. Does the Senator have an amendment which affects subdivision (f) on page 21?

Mr. O'MAHONEY. Yes. I offered an amendment to strike that out.

Mr. POPE. And also subdivision (c) of section 7, appearing on page 23? All those sections were criticized yesterday, and I wondered if the Senator's amendments applied to all of them.

Mr. O'MAHONEY. I am offering an amendment to section 7, appearing on page 22, by which I propose to strike out the provision which would repeal the civil-service law with respect to appointments made under this act.

Mr. President, in order that the purpose I have in mind may be made clear, I intend now to refer briefly to some of the provisions of law which impose restrictions upon the expenditure of public funds. I will say that this morning I had a conversation with the able Senator from Alabama [Mr. BANKHEAD], who is in charge of the bill, and that, as I take it, he and I are in substantial agreement as to some of these amendments, if not all. He does not agree to striking out all of the language which will be stricken out by the amendment which I now propose.

Mr. McCARRAN. Mr. President, will the Senator yield for just a moment?

Mr. O'MAHONEY. I am glad to yield to the Senator from Nevada.

Mr. McCARRAN. In order to allay apprehension or to satisfy curiosity on the part of any Senator, I wish to say, Mr. President, concerning Senate bill 69, providing for limiting freight or other trains to 70 cars, which it was my intention to move to consider immediately following the conclusion of consideration of the bill now pending, that I will not today move the consideration of that bill. I will, however, at the next available opportunity move that the bill be considered by the Senate. So many Senators have been compelled to leave the Chamber and to leave the city that at this time I think it best not to bring the bill forward, and I will, therefore, make the motion when all Senators may be present in order that the bill may be given full and fair consideration.

Mr. O'MAHONEY. Mr. President, section 628 of title 31 of the United States Code reads as follows:

> Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

That provision of law, which is certainly wise and to which no Member of this body would object, is being repealed as to this corporation by the language which I have asked to be stricken out of this measure. I know of no reason——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am very glad to yield to the Senator from Texas.

Mr. CONNALLY. Is it the Senator's idea that all employees of the organization to be created by the bill ought to be under the civil service?

Mr. O'MAHONEY. I am not now discussing that question; I am now discussing restrictions upon the expenditure of public funds.

Mr. POPE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. POPE. The Senator does not mean, does he, that the language of the bill would repeal the restriction except as it is applicable to this particular measure?

Mr. O'MAHONEY. I mean it would repeal the provision as to the corporation to be created. Certainly it would not repeal it as to all branches of the Government. The inclusion in the bill of the provision to which the amendment is offered would mean that some of the governmental bureaus would operate under the restrictions of law now imposed, but this corporation would be exempt.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. CONNALLY. Does the Senator from Wyoming think that a corporation of this kind ought to be required to submit every item of expenditure to the Comptroller General and go through a lot of rigmarole?

Mr. O'MAHONEY. This has nothing in the world to do with what the Comptroller General may or may not do; but I contend that when Congress appropriates $10,000,000 or $25,000,000 or $50,000,000 to the corporation provided for by the bill, that those millions out of the Public Treasury should be expended according to the laws written upon the statute books and which apply generally to the expenditure of public funds.

These restrictions in some instances have been on the statute books of the United States since the very beginning of the Government. Why should we, by a blanket phrase, repeal them all so far as the corporation created by the bill is concerned, particularly when, upon reading other provisions of the bill, we find that the corporation is practically exempt from all other responsibility to the legislative branch of the Government?

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Idaho?

Mr. O'MAHONEY. I yield.

Mr. POPE. Is it not true that this is a customary provision which is put in laws providing for Government corporations?

Mr. O'MAHONEY. I will say to the Senator from Idaho that it undoubtedly is true that, beginning with the depression in 1929, Congress, because it felt under an impelling necessity to act and act promptly, undertook to create corporations which were freed from these restrictions. I think that was true of the Reconstruction Finance Corporation, which was created under the administration of President Herbert Hoover. The example set then has been followed in innumerable instances in laws which have since been passed. However, I submit to the Senator from Idaho that the time certainly has now come when Congress should cease to delegate all its power and all its authority to unnamed persons in authority over new corporations created with practically unlimited powers.

Mr. POPE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. POPE. Is the Senator familiar with the decision of the Supreme Court of the United States, and particularly the opinion of Mr. Justice Brandeis on this particular point?

Mr. O'MAHONEY. In which he said it was legal? Of course it is legal. That is the reason I am objecting to it. If the provision were not effective, I would not be disturbed about it, but it will be effective. That is why I want to change it.

Mr. POPE. Not only is it legal but, if the Senator will permit me, I will read to him a statement by Mr. Justice Brandeis in which he said it is wise.

Mr. O'MAHONEY. I might differ with the Justice upon that point.

Mr. POPE. Mr. Justice Brandeis said:

> Indeed, an important if not the chief reason for employing these incorporated agencies was to enable them to employ commercial methods and to conduct their operations with a freedom supposed to be inconsistent with accountability to the Treasury under its established procedure of audit and control over the financial transactions of the United States.

He was referring to a very similar provision in the Emergency Fleet Corporation law.

Mr. O'MAHONEY. Of course, the Senator can save himself and his principle by refusing to eliminate the provision which appears upon another page of this bill.

Mr. VANDENBERG. Mr. President——

Mr. O'MAHONEY. I will yield when I finish the sentence.

Mr. VANDENBERG. I was just going to observe that the Senator can also get away from Justice Brandeis by voting to retire him compulsorily.

Mr. POPE. I do not want to get away from him.

Mr. O'MAHONEY. Mr. President, I was about to call the attention of the Senator from Idaho to paragraph (c) of section 8 which exempts this Corporation from all responsibility to the General Accounting Office. It was upon a similar provision that Mr. Justice Brandeis was expressing his opinion. An express exemption, of course, would be operative.

Mr. BANKHEAD. Mr. President——

Mr. O'MAHONEY. I yield to the Senator from Alabama.

Mr. BANKHEAD. I should like to say to the Senator, in order to save time, as Senators desire to get away for the Fourth of July holiday, that I do not regard this section as material. It has been taken from similar provisions in other acts passed by Congress, but I am willing to have the amendment adopted and also the Senator's amendment relating to confirmation by the Senate of appointments to the Board.

Mr. O'MAHONEY. The Senator will accept the amendment?

Mr. BANKHEAD. Yes; so that we may go forward with the bill.

Mr. O'MAHONEY. Mr. President, let me ask unanimous consent, in order to save time, that I may insert in the RECORD at this point as part of my remarks some of the provisions of the statutes which restrict the expenditure of public funds by the executive departments.

The PRESIDENT pro tempore. Without objection, permission is granted.

The matter referred to is as follows:

The following is a partial list of statutes restricting the expenditure of public funds which would be repealed as to the proposed corporation if the amendment now offered should not be agreed to:

Section 628 of title 31, United States Code:

"Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

Section 46, title 5, United States Code:

"No civil officer, clerk, draftsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee shall be employed at the seat of government in any executive department or subordinate bureau or office thereof or be paid from any appropriation made for contingent expenses, or for any specific or general purpose, unless such employment is authorized and payment therefor provided in the law granting the appropriation, and then only for services actually rendered in connection with and for the purposes of the appropriation from which payment is made, and at the rate of compensation provided for in chapter 13 of this title."

Section 674, title 31, United States Code:

"No moneys appropriated for contingent, incidental, or miscellaneous purposes shall be expended or paid for official or clerical compensation.

Section 678, title 31, United States Code:

"Law books, books of reference, and periodicals for use of any executive department or other Government establishment not under an executive department, at the seat of government, shall not be purchased or paid for from any appropriation made for contingent expenses or for any specific or general purpose unless such purchase is authorized and payment therefor specifically provided in the law granting the appropriation." (Mar. 15, 1898, ch. 68, sec. 3, 30 Stat. 316.)

Section 102, title 5, United States Code:

"The amount expended in any one year for newspapers, for any department, except the Department of State, including all bureaus and offices connected therewith, shall not exceed $100, except where otherwise specifically authorized by law. But the foregoing provision shall not apply to the subscriptions to newspapers by the military-information division. No executive officer, other than the heads of departments, shall apply more than $30, annually, out of the contingent fund under his control, to pay for newspapers, pamphlets, periodicals, or other books or prints not necessary for the business of his office." (R. S., secs. 192, 1779; Mar. 2, 1903, c. 975, 32 Stat. 929; June 22, 1906, c. 3514, sec. 7, 34 Stat. 449.)

Section 73 of title 5, United States Code:

"Except as otherwise provided by law, only actual traveling expenses shall be allowed to any person holding employment or appointment under the United States, except marshals, district attorneys, and clerks of the courts of the United States, and their deputies."

Section 34, title 40, United States Code:

"No contract shall be made for the rent of any building or part of any building, to be used for the purposes of the Government in the District of Columbia, until an appropriation therefor shall have been made in terms by Congress, and this clause shall be regarded as notice to all contractors or lessors of any such building or any part of building."

Section 78, title 5, United States Code:

"No appropriation made in any act shall be available for the purchase of any motor-propelled or horse-drawn passenger-carrying vehicle for the service of any of the executive departments or other Government establishments, or any branch of the Government service, unless specific authority is given therefor. There shall not be expended out of any appropriation made by Congress any sum for purchase, maintenance, repair, or operation of motor-propelled or horse-drawn passenger-carrying vehicles for any branch of the public service of the United States unless the same is specifically authorized by law. In the estimates for each fiscal year there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase, maintenance, repair, or operation of all motor-propelled or horse-drawn passenger-carrying vehicles, specifying the sums required, the public purposes for which said vehicles are intended, and the officials or employees by whom the same are to be used." (July 16, 1914, c. 141, sec. 5, 38 Stat. 508.)

Section 219 of title 44, United States Code:

"No head of any executive department, or of any bureau, branch, or office of the Government, shall cause to be printed, nor shall the Public Printer print, any document or matter except that which is authorized by law and necessary to the public business; and executive officers, before transmitting their annual reports, shall carefully examine the same and all accompanying documents, and exclude therefrom all matter, including engravings, maps, drawings, and illustrations, except such as they shall certify in their letters transmitting such reports are necessary and relate entirely to the transaction of the public business."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wyoming to the amendment reported by the committee.

The amendment to the amendment was agreed to.

CONFIRMATION OF BOARD MEMBERS

Mr. O'MAHONEY. Mr. President, I offer another amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 20, line 4, it is proposed to strike out all after the word "by" and insert the following:

The President, with the advice and consent of the Senate, for terms of 5 years, provided that the persons first appointed shall serve, respectively, for 1, 3, and 5 years.

Mr. O'MAHONEY. I understand that the Senator from Alabama will not object to that amendment.

Mr. BANKHEAD. The Senator is wrong about that. I said I would not object to an amendment requiring confirmation by the Senate.

Mr. O'MAHONEY. Exactly; and that is all this amendment proposes to do.

Mr. BANKHEAD. No; it fixes the terms of office, as I understood the reading.

Mr. O'MAHONEY. Yes; it fixes a term of 5 years.

Mr. BANKHEAD. I do not think that ought to be done, because, under the theory of this bill, those appointed to the Board are to be under the Secretary of Agriculture.

Mr. O'MAHONEY. The provision of the bill to which the amendment is offered clothes the Secretary with great power.

Mr. BANKHEAD. The amendment proposes to fix terms of office which may not be sufficiently long. If the amendment merely provided for confirmation of the members of the Board, I should have no objection to it. That is what we agreed on this morning.

Mr. O'MAHONEY. It is true the Senator agreed only that he would not object to an amendment which would provide for confirmation of members of the board by the Senate, but I will say to the Senator that we did not discuss the question of the terms of office. When I undertook to write the amendment, however, I discovered that it would be almost impossible to draft a satisfactory amendment without fixing a term.

I shall be very glad to accept the suggestion of the Senator from Alabama as to the length of the term if the term of 5 years is not long enough. The provision of the bill which I think should be changed is that the board shall consist of three persons employed in the Department of Agriculture who shall be appointed by and hold office at the pleasure of the Secretary.

My contention is that the board of directors of this all-powerful corporation should not hold office at the pleasure of the Secretary. My contention is that the mere confirmation of members of the board by the Senate, if they are to hold office at the pleasure of the Secretary, is a concession that concedes nothing. We might be confirming appointees

week after week if the Secretary of Agriculture could remove them at his pleasure.

What objection can there possibly be to fixing a definite term for the members of the board of directors? We are setting up a corporation which will administer farm tenancy; we are setting up a corporation which will deal with the most intimate affairs of many citizens of the United States, and those who, above all others, should have careful consideration of their problems, the tenant farmers. It is proposed to place the administration of this measure in the hands of a board of directors holding office at the pleasure of the Secretary of Agriculture. Secretaries change; secretaries resign; secretaries die; secretaries pass out of office. What sort of permanence can we have in a system of that kind? What possible objection can there be to the establishment of a definite term?

I do not care how long or how short it may be, and I would be very glad to receive any suggestion and to accept any suggestion that may be made by the Senator from Alabama, but it seems to me to be perfectly clear that when we are setting up a corporation to which we shall commit billions of dollars out of the Public Treasury, and to which we shall also commit the affairs of millions of tenants throughout the United States, whose future will depend upon the administration of this Corporation, we should be very certain that there shall be definite terms and definite responsibility for the men who are clothed with the power of administering the law.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. HUGHES. I am not familiar with the amendment. Does the amendment also propose to strike out the provision that?—

> The board shall consist of three persons employed in the Department of Agriculture.

Mr. O'MAHONEY. No; they are to be employees of the Department of Agriculture, so that the board will consist of persons who are in that Department, but, under the amendment, they would be named by the President and confirmed by the Senate and would serve for definite terms of 5 years.

Mr. President, I have no desire to occupy the floor further and am very glad to submit the amendment to a vote.

Mr. BANKHEAD. Mr. President, in view of the program provided in the bill, I think the amendment should not be adopted. Its adoption would set up, in effect, a separate bureau with a board of directors for a fixed term. It would really change the theory of the bill placing the bureau under the Secretary of Agriculture. I hope the amendment will be rejected.

The PRESIDENT pro tempore. The question is on the adoption of the amendment proposed by the Senator from Wyoming to the committee amendment. [Putting the question.] The ayes seem to have it.

Several Senators called for a division.

On a division, the amendment to the amendment was agreed to.

RETENTION OF CIVIL-SERVICE PLAN

Mr. O'MAHONEY. Mr. President, I send to the desk another amendment which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment in section 7, on page 22, line 8, beginning with the word "the", it is proposed to strike out all of lines 8 to 13, inclusive, and the word "regulations" in line 14, as follows:

> The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the Classification Act of 1923, and acts amendatory thereof, and such attorneys and experts as may be necessary for the purposes of this act; and the Secretary may make such appointments without regard to the civil-service laws or regulations.

Mr. O'MAHONEY. Paragraph (a) of section 7 consists of two sentences, the first of which gives the Secretary of Agriculture the power to appoint all officers and employees subject to the classification act but without regard to the civil-service law. The second sentence authorizes the board to define the authority and duties of officers and employees of the corporation. In view of the fact that we have just adopted the other amendment providing for confirmation of the members of this board, it seems to me that this amendment should also be adopted. I invite attention that this is an amendment which will take away from the Board and from the Secretary the power to appoint employees without regard to the civil-service law.

Let me say just a word about it. It seems to me to be perfectly obvious that when we create a corporation to carry on what amounts to a governmental function and clothe that corporation with broad powers, it is extremely unwise to clothe that corporation with the additional power to make appointments without regard to the civil-service laws. If the appointments were being made by Members of the Senate or Members of the House I probably would not be objecting, because no one is more ready to criticize the method by which bureaucracy abuses the civil-service laws than am I; but it is certainly no gain in public responsibility to give not to the Members of the Senate or the House the power to make these appointments, but to give it to the directors of the corporation which is to be created under the terms of the bill, or to the Secretary of Agriculture.

Mr. POPE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. POPE. On page 32 of the bill is a provision for use of county committees and payment of their expenses. Is it the opinion of the Senator that the county committees should be covered by civil service? The committees and their employees are made up of farmers in the various localities.

Mr. O'MAHONEY. Not at all. I quite agree with the Senator that the county committees should be exempt, and I should be very happy to accept an amendment which will provide that members of such committees shall not be subject to the civil-service laws.

Mr. POPE. Should the employees of the committees also be included under the civil-service rules and regulations? The secretaries of the committees are usually bank clerks or local insurance agents who give only a small part of their time to the work. They look after the books and records of the committee and write letters. Employees of the secretary of the committee consist, for example, of a stenographer who spends a very small part of her time on this work. That is illustrative of the kind of employees who would work in connection with the local committees.

Mr. O'MAHONEY. Will the Senator join me in the suggestion that all permanent employees of the corporation shall be appointed under and in accordance with the civil-service laws?

Mr. POPE. The secretaries of the local committees are permanent employees.

Mr. O'MAHONEY. The Senator just said they would work only part of the time.

Mr. POPE. They are permanent in the sense that they are employed regularly and receive a regular monthly or annual salary. I think the term "permanent" and the term "temporary" would have to be clarified and defined.

Mr. O'MAHONEY. Would the Senator agree to an amendment that all employees in the District of Columbia should be appointed under the civil-service laws?

Mr. POPE. I am not sponsoring the bill. The bill is in charge of the Senator from Alabama [Mr. BANKHEAD].

Mr. O'MAHONEY. The Senator is arguing and I am trying to win him over.

Mr. POPE. I have no objection to all employees in Washington being under civil service. We had this same question involved in connection with another bill when I made a rather careful study of it. I raised the question of the applicability of the civil-service rules and regulations to the farmers who would take a substantial part in carrying out the provisions of the law. I should have no objection to having the civil-service laws apply to all employees in the District of Columbia.

Mr. BARKLEY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. Certainly.

Mr. BARKLEY. I ask the Senator from Idaho [Mr. POPE] whether the situation here is not analagous to that which we had when we were considering the crop-insurance bill which the Senator sponsored. The same question arose, and in view of the particular nature of the work to be done by local people, voluntary committees, and by many others whose services were not of sufficient importance to justify placing them on the permanent roll with an annual salary, but whose services were important in the local communities and in the particular phases of the administration of the act, the Senate decided not to require a civil-service examination of such employees.

I ask the Senator from Idaho if the situation is not somewhat analagous to that which I have just mentioned?

Mr. POPE. It is analogous so far as farmer employees are concerned. The Senator may recall that at that time I presented to the Senate a list of employees who would be doing temporary work or who were farmers and had special knowledge of the particular things they were to be called upon to do. I found in connection with that matter that about 75 percent of the employees were temporary in character, made up of local employees on local committees, watchmen at warehouses, and persons engaged in similar lines of work. I think the Senate at the time agreed with me that in cases where 75 percent of the employees were farmers and of a temporary character, the civil-service laws should not be applicable.

I took that position notwithstanding the fact that I am as strong an advocate of the merit system and of civil service as is any other man in this Chamber; but I think we should look at these matters reasonably in making the civil-service law applicable to the farmers and temporary employees, who necessarily must be relied upon to make the program succeed. Instead of filling a position with a civil-service employee who may come from Florida or Maine or some other place, and putting him into a local situation with which he is not familiar, it seems to me wise to make a proper limitation upon the application of the civil-service laws in order that some local person familiar with the local situation may be appointed to the position. It seems to me the same reason would, to some extent, apply here which applied in the crop-insurance case which we have been discussing, and to that extent the civil-service limitation should be waived.

Mr. O'MAHONEY. Mr. President, I desire to offer a modification of the amendment which I have sent to the desk. On page 22, at the end of the sentence, in line 19, add the following:

Appointments of temporary employees and of employees in the field may be made without regard to the civil-service laws, under regulations to be prescribed by the Civil Service Commission.

Mr. POPE. I think that is a distinct improvement, but what is the Senator going to do with the experts and attorneys who may be necessary in the administration of the law?

Mr. O'MAHONEY. I think that may be handled through another amendment.

Mr. BARKLEY. Mr. President, in that connection may I ask the Senator a question?

Mr. O'MAHONEY. I yield to the Senator from Kentucky.

Mr. BARKLEY. The law is to be administered by the Department of Agriculture. The Resettlement Administration is a part of the Department of Agriculture. No doubt the Resettlement Administration, in the field, or perhaps even here in the District of Columbia, will be called upon to render service. Certainly there will be a form of cooperation between the Resettlement Administration or service, and the corporation or board which it is proposed to set up under the pending bill. The employees of the Resettlement Administration are not under civil service either in the District of Columbia or out in the field.

Mr. O'MAHONEY. That was because it was an emergency organization; and the Senator well knows, because he is a member of the Committee on Reorganization, that the President is suggesting to us that all these employees be placed under the civil service.

Mr. BARKLEY. Of course, the reorganization bill is still under consideration.

Mr. O'MAHONEY. I assume that the Senator will support it.

Mr. BARKLEY. The bill itself is from time to time being reorganized. I am speaking of the law as it now is. No one can tell what is going to be the fate of the reorganization bill, although we do hope—and I am sure the Senator shares the hope—that we may secure substantial legislation on that subject at a very early date. But the point is, if the agency now in existence which is closest to the farm-tenant situation, and which has made some progress in dealing with that subject, is to be called into cooperation with the administration of this act, and that agency is not under the civil service, to what extent will an amendment of this sort confuse the situation, so as to make it impossible for the Department of Agriculture to utilize the experience and the services of men in the Resettlement Administration?

Mr. O'MAHONEY. Mr. President, the amendment will not confuse the situation at all. The Resettlement Administration was established as an agency outside of the Department of Agriculture. Since then, by Executive order, it has been made a part of the Department of Agriculture. The Resettlement Administration is today working with the Department of Agriculture, most of the employees of which are under the civil service.

Mr. BARKLEY. That statement applies to the employees here in the District of Columbia, but not to those out in the field.

Mr. O'MAHONEY. They are working with employees of the Department of Agriculture out in the field who are under the civil service.

Mr. President, it seems to me there can be no Member of this body who does not know that under the system which has been followed heretofore in the creation of these executive agencies, literally thousands of persons have been appointed to positions in Government employ outside of the civil service who recognize no responsibility to the Congress of the United States or to the administration that is in power and who are without responsibility to the people. I am sure there is no Senator and no Member of the House of Representatives who had anything to do with the last campaign who does not know that literally hundreds of Government employees who were appointed without regard to civil service were active in the campaign against the head of this administration. One of the virtues of the civil service law is that the persons who are appointed under it are forbidden to participate in political activity of a pernicious nature. Why should the Senate and the House undertake to create here a system whereby the bureaucrats may appoint whom they please, without regard to the civil service laws, to run the affairs of the people of the United States? We are drifting so rapidly toward bureaucracy that it ought to make our heads swim.

Mr. President, I do not intend to take up the time of the Senate by protracted argument. I have offered the amendment, and I am very glad to have it submitted as it stands. It places the permanent employees of this Corporation under the merit system, where they ought to be, and exempts temporary employees and those who are in the field.

Mr. HUGHES. Mr. President, a few minutes ago the Senator from Wyoming [Mr. O'MAHONEY] stated that he hoped the Senator from Idaho would be converted to the view of the civil service which is held by the Senator from Wyoming. I have not been here very long, and I have not yet been converted to the virtues of the civil service. So far as I personally feel, I am not impressed with the great advantages of having appointments of any kind, or certainly appointments like these, put under civil service.

The Senator says that because of the fact that a great many employees in the field are not under civil service they took an active part in the recent campaign. I desire to say that in my State those who were under the civil service also took a rather active part in the campaign, although it was contrary to the law. I know that in my case quite a number of officers who were under the civil service were fighting me in the campaign, and I think that will happen everywhere.

So far as I am personally concerned, until I am "converted", as the Senator expresses it, I do not feel inclined to vote in this or any other bill to increase the scope of the civil service, especially in cases like this, where, as the Senator from Kentucky [Mr. BARKLEY] suggests—and I know that to be the case—these officers will be drawn, for the time being, anyhow, largely from other agencies in the field under the Agricultural Department. So I shall not vote for the amendment.

Mr. MINTON. Mr. President, the Senator from Delaware says he has not been here very long, and has not observed much about the workings of the civil service. Neither have I; but I have been here long enough to learn that one does not know anything at all about politics until he runs up against the civil service. If there is any politics that is played with a fine Italian hand, it is the politics that is played in the departments by the inner circle of the civil-service employees. If one wishes to learn something about politics, he should go up against that ring, and they will give him cards and spades and beat him.

Mr. O'MAHONEY. Mr. President, I desire to say to the Senator from Indiana that I think there is a great deal of truth in the remark he has just made. My contention is that we gain nothing whatsoever by giving a free hand to the bureaucrats who play the fine Italian game of politics he describes.

Mr. MINTON. Who are the bureaucrats? That is what I want to know.

Mr. O'MAHONEY. Who are the bureaucrats? Why, Mr. President, they are employees who are scattered all through the fast-ramifying Government establishment that we are building up here, and many of them are civil-service employees.

Mr. MINTON. Exactly so. They have some appointments to make, and they are bureaucrats, and they maintain the existence of the present system.

Mr. O'MAHONEY. I may say to the Senator that the Committee on Reorganization is endeavoring to cure that defect. My only point is that nothing is gained by creating another corporation, the employees of which will have powers even greater than those of the civil-service employees.

Mr. HUGHES. Mr. President, in reply to what the Senator says about bureaucrats, I desire to add to what I have said, that I have known the Secretary of Agriculture for quite a number of years, and I have a very high regard for him.

Mr. O'MAHONEY. Mr. President, let me interrupt the Senator long enough to say that I yield to no one in my admiration for the present Secretary of Agriculture. He is an outstanding man and a public servant of unusual ability.

Mr. HUGHES. Under the bill as it stands, however, he is to appoint these officers and employees. I am certainly prepared to trust him to make the appointments, and I very much prefer that he make them to having them made under civil service.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the amendment reported by the committee.

The amendment to the amendment was rejected.

Mr. BAILEY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 25, line 3, at the end of section 9 (a), it is proposed to amend the committee amendment by adding thereto the following:

In making loans under this act the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy as determined by the Secretary.

Mr. BANKHEAD. Mr. President, the amendment just read is agreeable to me, and, so far as I am concerned, it may be accepted.

Mr. BORAH. Mr. President, may the amendment be read again?

The PRESIDENT pro tempore. The clerk will restate the amendment offered by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was restated.

Mr. BORAH. Does the Senator think that amendment is necessary?

Mr. BAILEY. I do think it is necessary. I should like to have the funds provided spent equitably throughout the territory affected by the bill. I should not be willing to run the risk of having them concentrated in any one or two or three States or in any one section. I know that tenancy is more prevalent in some States than in others, but I wish the money to be expended fairly throughout the country, with a view to attacking this problem in the small way that is proposed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. BAILEY. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 31, after line 14, it is proposed to insert the following:

The gross overhead expense of the activity herein created shall not exceed the sum of $400,000 per year, including expense of the agency at Washington and all other expenses in local offices and the field, including travel and communication.

Mr. BANKHEAD. Mr. President, I have no objection to that amendment.

The PRESIDENT pro tempore. Without objection, the amendment offered by the Senator from North Carolina to the amendment of the committee is agreed to.

Mr. BAILEY. Mr. President, I desire to make a statement as to my reasons for putting forward that amendment.

Four hundred thousand dollars is 4 percent of $10,000,000. I think that is fair. I am induced to offer the amendment because of the record made under the Rural Resettlement Administration. In the year 1936 it expended $200,382,268, and the overhead was $33,388,187. Those figures are to be found on page 66 of the Budget, which is before us all. That is an expenditure of 16½ percent for overhead under the illustrious administration of the celebrated Professor Tugwell. The Rural Resettlement Act was designed to some extent to solve the tenancy problem, I thought to a very great extent, but, of course, we all realize that it did not solve the problem, and I suspect that it has not solved anything. I wish to hold the administrative expenditures in this new experiment to $400,000 a year, in the hope that 96 percent of the funds will be addressed to the problem properly.

I understand the amendment has been agreed to, and I send forward another amendment.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment on page 26, at the end of line 8, it is proposed to insert the following:

But the power of eminent domain herein provided shall be exercised only in instances in which it is necessary to clear titles.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. BORAH. In connection with his amendment, I desire to ask, as I had intended to ask before, under what circumstances would it be necessary to invoke the power of eminent domain in the execution and administration of the law at all? Secondly, can the power of eminent domain be exercised for the purpose of transferring property from A to B?

Mr. BAILEY. I do not think so.

Mr. BORAH. Nor do I. How is the power of eminent domain to be exercised under the pending measure for a public purpose, in the sense that "public purpose" is used in defining the power of eminent domain?

Mr. BAILEY. I agree with what the Senator has in mind, but I may say that the bill on its face provides for the purchase of property and for condemnation proceedings in view of the purchase. Whether or not we would agree to the use of the power of eminent domain with respect to purchase only, or to purchase with a view to transfer, is a question. I think, therefore, that the amendment restricting the exercise of the power would be helpful. However, I am perfectly willing to vote for an amendment taking out of the bill entirely the section conferring the power of eminent domain.

Mr. BORAH. I was about to ask the Senator in charge of the bill whether he is satisfied that the power of eminent domain could be invoked at all under the measure. I myself cannot conceive of any circumstances or conditions which would justify the exercise of that power. I should be glad to have the Senator's view, because he has undoubtedly considered the matter.

Mr. BANKHEAD. Mr. President, I do not know whether or not the Senator from Idaho was in the Chamber yesterday when this matter was under discussion, but I stated then that the only object the author of the bill had in incorporating the provision for the exercise of the power of eminent domain was to expedite in certain cases the clearing of titles.

I assume that the corporation to be set up can be given such power as the Government has. I do not know any reason why, if the Government has the power, it cannot exercise that power through an instrumentality created by the Congress. At any rate, it is doing that all the time.

In the case of the Tennessee Valley Authority, where lands are being covered by water as the result of the construction of dams, there are two methods of making settlement. One is by purchase; the other, where a price cannot be agreed upon, is by condemnation, authorized in the act and invoked at every session of the Federal court in the district affected.

Mr. BORAH. I can understand that.

Mr. BANKHEAD. I understood the Senator had in mind both the power and the necessity for its use.

As I said on the floor of the Senate yesterday, I myself would not be willing to have the Government exercise the power of eminent domain in this matter for the purpose of acquiring a farm where the real owner of the farm did not desire to sell it. I can conceive of cases, such as those which have developed in T. V. A. transactions, in flood-control transactions where the Government is obliged to acquire lands, in forestry transactions where the Government is constantly buying land, where complete title cannot be acquired, sometimes because of the minority of a party, sometimes because of insanity of some party, sometimes by reason of the fact that heirs are absent or unknown, when in fact the real owners in large part have agreed to the transaction and when the purchase price is acceptable, but for one reason or another complete and legal title cannot be acquired, although the equitable title is being acquired.

So, with the amendment offered by the Senator from North Carolina, to which I have expressed my full agreement, because it covers the only purpose I had in mind in incorporating the provision, the power may well be used purely for clearing titles.

I am sure that the distinguished Senator from Idaho, with his great legal talent and wide legal experience, realizes that under a limitation of that sort, giving the power of eminent domain only for the purpose of clearing title, a well-known legal designation, and a term well known in law books, the power could not be improperly used. It could not be used for the purpose of taking land from those who were on it in their own right and unwilling to have it taken. Therefore no injustice could be accomplished. It is simply to expedite a transaction which the Government and all the adult parties involved wish to carry out, but which they are delayed from carrying out because, as I have said, of facts which make a complete conveyance by the heirs in the chain of title, whether they own any interest at the time or not, impossible to secure.

Mr. BORAH. Mr. President, I ask that the amendment be stated again.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 26, at the end of line 8, it is proposed to add the following:

> But the power of eminent domain herein provided shall be exercised only in instances in which it is necessary to clear titles.

Mr. BORAH. Mr. President, can the power of eminent domain be exercised to clear title?

Mr. BAILEY. If the Senator will allow me to respond, I do not think so. I do not think the section ought to be in the bill. I have offered the amendment by way of modification on the ground that probably it is the best we can get. But I have another consideration. The laws on eminent domain are rather clear, but it is not quite clear in America today what sort of a court we are going to have, and I think we should build modifications here and there.

Mr. BANKHEAD. Mr. President, I do not regard this as of sufficient importance to detain the Senate. It is purely a corrective provision, and in view of the opposition of the Senator from Idaho, for whose views I have very great respect, as I think he knows, and in view of the opposition of the Senator from North Carolina, who is friendly to the bill, I am unwilling to engage in any protracted discussion about a matter which I do not think involves a principle in the measure. So I agree to withdraw the section from the bill, if that is agreeable.

Mr. BORAH. Mr. President, I am not asking the Senator to withdraw the section.

Mr. BANKHEAD. I intended to say that I was willing to strike out the words "eminent domain."

Mr. BORAH. I would simply strike out the two words "eminent domain."

Mr. BANKHEAD. Yes; on reflection, that is what I suggest.

Mr. BAILEY. Then I withdraw my amendment.

Mr. BANKHEAD. I move that the words "eminent domain" be stricken out.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 25, line 17, after the word "purchase" and the comma, it is proposed to strike out the words "eminent domain."

The amendment to the amendment was agreed to.

Mr. BAILEY. I send forward another amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert in the proper place the following language:

> No farm, or equipment thereof, or improvements thereon, shall be sold for less than cost to the Board, including a reasonable charge for overhead.

Mr. BAILEY. Mr. President, my reason for offering that amendment is based on the experience of the Rural Resettlement Administration. They are expending $20,000 per unit in New Jersey, and they expended $12,000 to $16,000 per unit in Virginia. I understand that they have expended $12,000 per unit in Greenbelt. There is not a possibility of any of that property being sold for the prices which the Government has paid. My amendment is intended to restrict sales of property to an amount which is not less than the cost to the Government, plus a reasonable overhead.

I hope the amendment will be accepted. If it is not accepted, there is no telling how much will be spent, or how much the Government will lose.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina to the amendment reported by the committee. [Putting the question.] The Chair is in doubt.

Mr. BAILEY. I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. BAILEY. Mr. President, I send forward another amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 22, line 14, after the word "regulations", it is proposed to insert:

Appointments to office hereunder, the compensation of which is $4,500 or more, shall be subject to confirmation by the Senate.

Mr. BAILEY. I hope the Senate will accept that amendment.

Mr. BANKHEAD. Mr. President, I think the Senator should make the amount $5,000. I think that is the amount which has been fixed heretofore.

Mr. CONNALLY. Mr. President, if there is to be a change, I think the change ought to be made to $4,000.

Mr. BAILEY. Mr. President, it appears that I am playing safe either way. I ask for a vote on my amendment. If the amendment is rejected, I shall adopt the suggestions made by the two Senators who have just spoken.

Mr. BANKHEAD. I am not trying to "jew" the Senator down. I am suggesting to him that in order to have uniformity the amount ought to be $5,000. I do not care if the Corporation does not pay anyone over $2,000.

Mr. BAILEY. I ask for a vote on the amendment as proposed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Sentaor from North Carolina to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The committee amendment is still before the Senate and open to amendment.

Mr. BANKHEAD. Mr. President, I now offer some slight amendments which I tried to offer when the bill was first called up. They are purely of a corrective nature.

The PRESIDENT pro tempore. The first amendment to the amendment reported by the committee will be stated.

The CHIEF CLERK. On page 35, line 13, it is proposed to strike out the figures "44" and insert in lieu thereof the figures "24."

The PRESIDENT pro tempore. Without objection, the amendment to the amendment reported by the committee is agreed to.

Mr. BANKHEAD. Mr. President, I send forward another amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 35, line 7, it is proposed to strike out the words "United States" and insert in lieu thereof the word "Corporation."

The PRESIDENT pro tempore. Without objection, the amendment to the amendment reported by the committee is agreed to.

Mr. BANKHEAD. I send forward another amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 33, line 10, after the words "by the" and immediately preceding the word "Secretary", it is proposed to insert the words "United States and under the supervision of the."

The PRESIDENT pro tempore. Without objection, the amendment to the amendment reported by the committee is agreed to.

Mr. BANKHEAD. I send forward another amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 33, line 10, it is proposed to insert a comma after the word "Agriculture."

The PRESIDENT pro tempore. Without objection, the amendment to the amendment reported by the committee is agreed to.

Mr. BANKHEAD. Mr. President, I send forward another amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 29, beginning with line 18, it is proposed to strike out all of section 16 down to and including line 11, on page 30, and to insert a new section 16, as follows:

SEC. 16. Nothing in this act shall be construed to exempt any real property held by any purchaser or lessee from the Corporation, notwithstanding the legal title remains in the Corporation, from taxation by any State or political subdivision thereof to the same extent, according to its value, as other real property is taxed.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment reported by the committee is agreed to.

Mr. BANKHEAD. I offer one other amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 21, beginning with line 4, it is proposed to strike out all of subsection (d) of section 6 and to insert a new subsection (d), as follows:

(d) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal, provided that the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: *And provided further*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment reported by the committee is agreed to.

Mr. BILBO. Mr. President, it is not my purpose to detain the Senate more than a few minutes; but I have one or two observations which I wish to make on the bill before its final passage.

Before coming to the Senate in 1935 I had made a resolution that during my term of service I would do something about the farm-tenancy problem, because I had not only made an investigation of it in this country but I had occasion to spend several weeks in Denmark and Holland in a study of this very question. When I arrived in the Senate I found that the Senator from Alabama [Mr. BANKHEAD] and Representative JONES, of Texas, had been at work on the subject for some time, and I joined with these gentlemen and contributed my bit toward the perfection of this very much needed legislation.

At this point I ask unanimous consent to have printed in the RECORD, as part of my remarks, a portion of the Report of the President's Committee on Farm Tenancy, found on page 35 and part of page 36, which shows the extent of tenancy in the United States by sections. The report of the President's committee shows that actually 50 percent of the farms of this country are operated altogether or in part by tenants, sharecroppers, and farm laborers. I desire that this portion of the report be printed in the RECORD, because I think the people throughout the country who read the CONGRESSIONAL RECORD will be interested in this particular portion of the report. The information contained therein will not reach the general reading public as well when published in a report as it will when printed in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER (Mr. HATCH in the chair). Without objection, it is so ordered.

The portion of the report referred to, appearing on pages 35 and 36 of the Report of the President's Committee on Farm Tenancy, is as follows:

EXTENT OF TENANCY

The agricultural census of 1935 provides recent information on the extent and distribution of farm tenancy in the United States. According to its classification, approximately 42 percent of the 6,812,350 farmers in the country were tenants; that is, farmers who rent all of the land they operate.[1] The number of tenant farmers was reported as 2,865,155, the highest ever recorded (statis. supp., table I).

An additional 10 percent of all farmers were part owners; that is, farmers who own part and rent part of the land they operate.

[1] Croppers are included as tenants in the census classification. In some States they are legally regarded not as tenants with possession of the land they operate, but as workers, under landlord supervision, who receive a part of the crop as payment.

Hence, more than half of the farmers of the United States rent all or part of their farms. The number of part owners was reported as 688,867, also the highest ever recorded (statis. supp., table II). About 48,000 other farms were operated by hired managers.

These figures show that less than half (47 percent) of the farmers of the United States own all of the land they farm.

DISTRIBUTION OF TENANCY BY REGIONS

The distribution of farm tenancy by States and the proportion of farmers who are tenants vary from State to State (statis. supp., table III). Every State in the Union has some farm tenancy, though it is by no means of the same social, economic, and political significance (fig. 1).

The South: Farm tenants, including croppers, are a higher percentage of all farmers in the South[2] than in any other major section. There were 3,422,000 farmers in the South, according to the 1935 census, of whom 1,831,000, or 54 percent, were tenants. The tenants in the South represent about 64 percent of all the tenant farmers in the United States. Almost every Southern State has a higher percentage of tenancy than those in the North or West. Mississippi ranks at the top, with 70 percent of the farms in the hands of tenants or croppers. In Georgia two-thirds of all farmers are tenants or croppers; and in South Carolina, Alabama, Arkansas, Louisiana, and Oklahoma, more than 60 percent of the farms are operated by tenants or croppers (statis. supp., table I). All of the counties in the United States in which more than 80 percent of the farmers are tenants or croppers are in the South; most of these counties are in the rich alluvial lands along the lower Mississippi River. Throughout the Southern States, however, there are extensive areas where from 60 to 80 percent of all farmers are tenants or croppers.

The North: Even though the 16 Southern States have within their borders almost two-thirds of the total number of tenants and croppers, farm tenancy is important, and growing rapidly, in many other areas of the country (statis. supp., tables I and III).

The 21 States in the North Atlantic and North Central Divisions of the country[3] had 2,819,000 farmers in 1935, of whom 898,000, or about 32 percent, were tenants. The northern State with the highest percentage of tenancy is Iowa, one of the richest agricultural States in the Union, with 50 percent of all farms operated by tenants. Nebraska and South Dakota are tied for second place, with 49 percent of their farms operated by tenants. In 1935 more than two-fifths of the farmers in Kansas and Illinois were tenants. There are a few specialized grain-growing counties in Illinois, Iowa, and South Dakota in which more than 60 percent of the farms are tenant operated. Throughout wide areas of the North there are numerous counties in which from 40 to 60 percent of all farmers are tenants. In the industrial sections of the Northeast, however, the percentage of tenancy is not high, and until the recent depression had been declining for many years.

The West: In most parts of the 11 Western States[4] there is relatively little tenant farming, but it has been increasing for several decades, and in many cash-crop areas has reached levels as high as the average for the country as a whole.

Of the 571,000 farmers in the West reported by the 1935 census, 136,000, or 24 percent, were tenants. The Western State with the highest percentage of tenancy is Colorado, where 39 farms out of each 100 are tenant-operated. Most of the tenant farmers in that State are in the eastern counties near Kansas and Nebraska. In the States of Montana, Idaho, Wyoming, Oregon, and California between 20 and 30 percent of all farmers were tenants in 1935; in the States of New Mexico, Arizona, Utah, Nevada, and Washington less than 20 percent of the farms were tenant-operated.

The disposition of range lands causes the percentage of leased land in the West to be much higher than the percentage of tenant farms. Hundreds of thousands of acres are rented[5] for grazing purposes, but since most of the ranch operators own some land they are not classified as tenants. Approximately 43 percent of all western land in farms was shown as operated under lease in 1935, and since this figure does not include some of the Federal-, State-, railroad-, and absentee-owned land rented to ranchmen for grazing purposes, the actual proportion of rented land is probably considerably higher.

A second factor in the discrepancy between the proportion of rented land and the proportion of tenant farmers is due to the fact that farming corporations are extensive renters in the specialized cash-crop areas where much of the work is done by migratory agricultural laborers. There are a number of "pockets" in these cash crop areas, moreover, and also in the dry-farming areas, where the tenancy rate is high.

State legislation prohibiting orientals from owning land has been a special factor operating to increase tenancy rates in certain Western States where orientals make up a significant proportion of farm operators, though purchase of land by American-born children of oriental parents is in process of offsetting the effect of these laws.

[2] The South is herein defined as the 16 States and the District of Columbia in the South Atlantic and South Central Divisions of the country. The individual States are Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas.

[3] The individual States are Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.

[4] The individual States are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

[5] The term "rented" as applied to range land is employed to include land used under permit or license.

Mr. BILBO. Mr. President, some people have despaired of this undertaking because of its magnitude; but in a study of the question of farm tenancy I find that in Ireland, when a start was made to solve this question by long-range legislation and the adoption of a permanent program, it was found that 97 percent of the farmers of Ireland were tenants and sharecroppers; and by adopting a policy somewhat akin to the one we have under consideration, up to the present time that percentage in Ireland has been reduced to 3 percent.

In Denmark, where only half of the farmers were tenants when a similar program was initiated, in the last 35 years that tenancy figure has been reduced to 5 percent.

We are faced today with the situation that about 52 percent of our farmers are tenant farmers; and I say "52 percent" in the face of the statement made yesterday that the figure is 42 percent. The statement was made yesterday that farm tenancy amounted to 42 percent. That figure did not include farmers part of whose farming operations is on rented land, and the statistics show that 10 percent are in that situation. So it is safe to say that 52 percent of the farmers of America do not own their homes outright.

The question is, Can we solve this problem? Personally, I agree with the Senator from Idaho [Mr. BORAH] that this legislation by itself will not solve the question of tenancy in the United States. I make that statement in connection with the question, Who is responsible for farm tenancy? I think the reason why farm tenancy in the United States has shown a gradual increase is because of the failure of the Congress to act. We shall never be able to solve the tenancy question until Congress realizes that we must do something besides buying a home for the tenant farmer. We must have laws and inaugurate policies which will make it possible for the farmer to succeed after we have bought him a farm and equipped him to carry on farming operations.

The Federal Government, acting through Congress, is responsible for the condition of tenancy existing throughout the United States. So long as the Congress is influenced both in the making of laws and in the execution and interpretation of its laws by influences which are not of the best for the rank and file of the American people, we shall not be able to solve the problem.

There are just a few things that Congress must do before we can hope to reduce the great percentage of tenancy in this country. There is not any trouble about the southern farmer. I speak especially at this time concerning the tenancy question in the South; and I think I can speak of that because my State, Mississippi, is the banner State when it comes to the number of tenant farmers.

At one time 72 percent of our farmers were tenants. It is not a race question, either; because in the South two-thirds of the tenants are white and one-third are Negroes.

Mr. President, we are not going to be able to solve the question until we do something to improve the condition of the farmer. When Denmark started out to solve the question of tenancy, not only was it provided that the Government should finance the tenant farmer and the purchase of his holdings, his land, and should also equip him, but the farmers of Denmark took hold of the Government itself and enacted legislation and established policies which would insure the success of farming in Denmark; in fact, the commissioner of agriculture in Denmark is the most important man in the Government, and, if Denmark has a dictator, it is the commissioner of agriculture. In Denmark the marketing end and the selling end of farming have been thoroughly systematized. I had a conference with the gentleman in Denmark who has control of all the agricultural colleges and agricultural activities in the educational line in that country. He told me that they had never been able to make any progress in the solution of the tenancy

question until the Government took hold of the question of marketing profitably the commodities the farmers were able to produce on the fertile lands of Denmark.

It is not difficult for the southern farmer to produce bounteous crops. We have adequate rainfall; we have the proper temperature; we have the soil; we have everything that is ideal for agricultural success; but our trouble has been in disposing of the crops produced at living, decent prices after they have been harvested.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BILBO. I yield to the Senator from Tennessee.

Mr. McKELLAR. Does not the Senator also think that we should have a system of adequate financing of the farmer? It is very difficult, in our section of the country at least, for the small farmer to obtain money. It has been less difficult, of course, since the Government has set up the Crop Loan Bureau, which has helped the small farmers to a very great degree; but there ought to be some system of financing. Whether wholly private or wholly public or partly private and partly public, we ought to have a system under which farmers could obtain the necessary money at a reasonable rate of interest to make their crops.

Mr. BILBO. I appreciate the Senator's position and his observations. I have been very much in sympathy with the Government seed-loan campaign and the work that has been done during the depression by the Resettlement Administration, as well as by the W. P. A. in giving relief. Of course, such aid from the Government is necessary under the present depressed and oppressed conditions of the farmers of the South and of the Nation, but, after there shall be provided permanent relief, so that the farmer may dispose to advantage of the crops he may grow, it will not be necessary to go on with the other kinds of relief, because he will then be able to take care of himself.

I will call attention to just one development in the South. During the last 25 years there has grown up an industry in the South in connection with the production of paper-shell pecans: I know of one of my neighbors who invested $80,000 in the purchase and propagation of a paper-shell pecan grove. At the beginning paper-shell pecans were selling for from 50 to 75 cents and even a dollar a pound, but by the time he got his pecan grove developed and was ready to put his paper-shell pecans on the market the United States was flooded with cheap nuts from South America, from India, and from other portions of the world, and today the domestic pecan grower is not able to get more than 8 or 10 or 12 or 15 cents a pound for the finest paper-shell pecans in the world. Whose fault is it? The fault is with the Congress failing to protect our own people who are engaged in an industry that has great promise. It takes many years to develop a pecan grove, and after it is developed, then all the savings of a lifetime may be swept away because of the failure of the Government in Washington to protect the people from the importation of cheap nuts which are grown in other nations and gathered by cheap labor.

Let me refer to cotton. Some Members of the Senate may know that I have been giving my attention to the question of establishing a great chemical research laboratory in the Cotton Belt for the purpose of discovering other uses for cotton, cottonseed, and its byproducts. I appreciate the fact that it is only a matter of a few months or a few years before the cotton farmer will be faced with bankruptcy. Why? Because of the introduction of substitutes which may be used in the manufacture of clothing and because of the increased production of cotton in foreign countries. It will be but a few months before the only market we will have for cotton grown in the South will be the United States, within our own borders. Domestically we can use about 8,000,000 bales; that is the highest consumption we have had locally so far. If the South is forced to a production of only 8,000,000 bales, then the cotton farmers will be bankrupt, because they must be permitted to raise ten, fifteen, or twenty million bales and sell them at a decent price before they can make any progress, before they can maintain a decent living on the cotton farms of the South.

I picked up a copy of the Cotton Trade Journal yesterday and there I read a statement that 8,000 bales of Soviet cotton are now on the way to the United States to be sold to American manufacturers at a price of 5 or 6 cents a pound.

Just recently our President visited South America. Following his return, he told me that he was disturbed by the observations he had made and what he had learned while he was in South America. The coffee growers of South America are now cutting down their coffee trees and converting their coffee plantations into cotton plantations, because they can produce cotton, under labor and other conditions there, at 5 or 6 cents a pound and make more money than they can make by growing coffee. So they are cutting down the coffee trees in order to cultivate cotton.

Let us not be fooled, Mr. President, and let not the experts deceive us. The increased production of cotton in South America, in India, in Egypt, and in Russia and other parts of the world will soon supply all the markets that we have been supplying with our export cotton, the exportations representing about 50 percent of the crop. That is why I consider, if we want to do something for the farmer, we had just as well force ourselves to collaborate with the chemists. Chemurgy is the only way out. An old Negro connected with Tuskeegee Institute, in Alabama, through the chemical route, found over 300 uses for the lowly peanut.

Under the W. P. A. there was established in the city of Laurel, Miss., a plant to manufacture starch from sweetpotatoes, which is one of the crops that can be grown in great abundance in the South. The first year the enterprise was entered upon, the highest grade of starch, such as is used by mills in the production of the finest type of textiles, was manufactured from sweetpotatoes for 13 cents a pound. Last year 400,000 pounds of starch were manufactured at the little plant in Laurel for 3 cents a pound; and after 400,000 pounds of starch were manufactured from sweetpotatoes for 3 cents a pound one of the scientists in the Bureau of Chemistry and Soils discovered that if there had been utilized what was left of the potatoes 75,000 gallons of alcohol could have been made.

In seeking the establishment of a great chemical laboratory for the South I am not confining its activities to finding other uses for cotton alone but am seeking to find additional uses for every crop that is grown in the South. I have been able to have the project approved by everyone along the line except the Bureau of the Budget, and I hope to get it through the Bureau of the Budget some time this week.

So I say that while the pending measure is essential in order to give the farmer a start, yet we are going to fail in the end if we embark him on an undertaking, equip his farm with mules and teams and implements and everything he needs, unless we create a condition by laws passed by Congress, yes; by the assistance of the Government, yes; that will enable him to sell the crops which it is proposed to help him to produce, so that he may maintain a decent living and pay back to the Government the money we invest in him.

I am very much in favor of the pending bill because I know that the man who owns a home will naturally make a better citizen. If after the Civil War the Negroes of the South, when they were freed, had been given a piece of land to hold as their own, something to which they would have been tied, I say to you, Mr. President, that today there would not be a Harlem in New York, or a "black belt" in Chicago, because the highest and best type of Negroes we have in the South are those who have, through their frugality and labor, become the owners of their own homes. They make a better citizen. Of course, there are many patriotic citizens of this country who are homeless, but I dare say if such citizens owned their homes and had some place they could call home, they would be still better citizens.

I think the ideal place to rear a family is in its own home. The tenant is nomadic in his habits, migratory in his character. He slips from one place to another. There is nothing to tie him. There is nothing to tie him up with the church community or the school community. His children naturally absorb the same indifferent spirit about the things that mean

so much in the making of a good citizen. But if he were tied to the soil and owned his home, and at night could gather around the fireside his wife and children and they could sing Home Sweet Home, he would be in an atmosphere which would produce a better type of citizenship.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 18, line 23, it is proposed to strike out the words "This act may be cited as 'The Farmers' Home Act'" and to insert in lieu thereof the following:

This act may be cited as "The Bankhead-Jones Farm Tenant Act."

Mr. BARKLEY. Mr. President, I offer the amendment because I think it is recognized by all of us that the junior Senator from Alabama [Mr. BANKHEAD] really has been a pioneer in the matter of farm-tenancy legislation. The chairman of the Committee on Agriculture of the House, Hon. MARVIN JONES, of Texas, has collaborated with the Senator from Alabama in bringing about the enactment of the legislation. I think it is a fitting tribute to both of them that the act be cited in their names, and for that reason I have offered the amendment to the committee amendment.

Mr. MCNARY. Mr. President, I am not going to oppose the amendment, but it is a very unusual one. I merely desire to call the attention of Members of the Senate to the fact that it is the first time in the history of legislation that an act has been designated officially in the act itself by the name of the author.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kentucky to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. POPE. Mr. President, yesterday the Senator from Wyoming [Mr. O'MAHONEY] criticized the provision of the bill giving the tenancy corporation the authority to determine expenditures and pay claims without approval of other departments. At that time I stated the particular provision is one which is contained in nearly all of the acts creating governmental corporations. I have had prepared a history of this provision and certain other provisions which were criticized yesterday by the Senator from Wyoming, and as a part of my remarks I shall ask to have it printed in the RECORD.

Before submitting the statement, however, I desire to invite the attention of the Senate to the fact that all or practically all of the corporations which have been organized as governmental corporations have been created under acts containing the provision as to payment of claims. Its use began a number of years ago.

In the Reconstruction Finance Corporation Act will be found a similar provision. Substantially the same provision is in the Federal home-loan bank law. The same provision is contained in the Federal Deposit Insurance Corporation law. Almost the same provision is in the Federal Housing Administration law passed 2 or 3 years ago. Substantially the same provision is contained in a bill recently introduced by the Senator from New York [Mr. WAGNER], known as the new housing bill.

The provision became current many years ago. It was contained substantially in the Food Administration Grain Corporation law. The United States Spruce Corporation law contained about the same proposition. The United States Housing Corporation, organized in 1918, was created under an act containing a similar provision. The War Finance Corporation Act contained the same provision. The act creating the Panama Railroad contained it. The act organizing the Inland Waterways Corporation in 1924 contained the same provision. The Federal Intermediate Credit Bank Act contained the same provision.

The Supreme Court of the United States passed upon these acts in a decision and commented particularly upon this provision. Earlier in the day I read a part of a comment of Mr. Justice Brandeis with reference to it. I think now I shall read the entire comment, because it is worthy of consideration by this body with reference to any future bills which may contain a similar provision. Said the Court:

The accounts of the Fleet Corporation, like those of each of the other corporations named, and like those of the Director General of Railroads during Federal control, have been audited, and the control over their financial transactions has been exercised, in accordance with commercial practice, by the board or the officer charged with the responsibilities of administration. Indeed, an important, if not the chief, reason for employing these incorporated agencies was to enable them to employ commercial methods and to conduct their operations with a freedom supposed to be inconsistent with accountability to the Treasury under its established procedure of audit and control over the financial transactions of the United States.

The main reason why I take the time now to discuss the matter is that the same provision was contained in the crop-insurance bill which passed the Senate 2 or 3 months ago. There was a particular reason, however, why such a provision should be incorporated in that bill. The bill provides that the premium for the insurance shall be paid in wheat and that the indemnity shall likewise be paid in wheat. The principal work of the corporation, therefore, is the collection of premiums in wheat and the payment of indemnities in wheat.

Therefore, it would seem entirely inapplicable that the claims for indemnity should go through all the procedure necessary for approving them in the Treasury Department. Many of us have in mind experiences we have had under the Agricultural Adjustment Administration. There was no such provision in that law. Therefore every claim for benefits had to go through the Treasury Department. Every Member of the Senate has probably had experience with long-delayed payments of benefits under that act. Even today I receive letters containing requests for assistance to secure payment of benefits which accrued a year or more ago.

With that experience in dealing with claims to be paid to farmers that have to be approved by the Treasury Department, it seems that this provision is wise. Therefore, the very thing that Mr. Justice Brandeis suggested, to expedite and to audit and control these funds by the immediate department without all the red tape and all the procedure necessary to gain approval by the Treasury Department, is accomplished by the insertion of this provision in the laws to which I have referred.

I am sorry the sponsor of this bill so readily accepted the amendment to strike the provision from the bill because I think in the administration of the provisions of the bill, with all the red tape and procedure which will be necessary to gain the approval of the Treasury Department, we will have experiences similar to those which we had under the Agricultural Adjustment Act.

I wanted to say particularly with reference to the crop-insurance bill which contains a similar provision that there is a peculiar reason why the provision should be retained in that bill. Since it is now pending before the House, I wanted at least the history and the reason for the provision to be in the RECORD in order that, in the consideration of that bill by the House, there would be no confusion existing there as to the customary provisions contained in these acts creating Government corporations and the reasons existing therefor.

Mr. President, I ask that the statement to which I referred may be inserted in the RECORD at this point as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF PARAGRAPH (H) OF SECTION 6

This paragraph provides that the Farmers' Home Corporation "shall determine the necessity for its expenditures under this act and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other laws governing the expenditure of public funds, and such determinations shall be final and conclusive upon all other officers of the Government."

The criticism which has been directed to this paragraph is based on a failure to appreciate one of the chief reasons for the establishment of Government corporations. There is nothing unusual

about this provision. In fact, it is present in one form or another in practically every act passed by the Congress establishing Government corporations.

The reason for a provision of this type is to enable the Farmers' Home Corporation to employ commercial methods and to conduct its operations with a freedom not possible in ordinary transactions of the United States. The following are typical examples of similar provisions in other acts of Congress:

Section 4 of the Reconstruction Finance Corporation Act provides that "the Board of Directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenditures allowed and paid."

Under this provision the Reconstruction Finance Corporation has been able to establish procedures for the incurring of obligations and the payment of expenses in line with banking and commercial practice without being hamstrung by the ordinary procedure governing the expenditure of funds by regular Government departments. There has never been the slightest suggestion that this clause was used to enable the Corporation to commit any illegal or unlawful acts. The provision has merely had the healthy and desirable effect of enabling the Corporation to operate with efficiency and dispatch in accordance with sound commercial business and accounting practices.

Again, section 6 of the act of June 13, 1933, setting forth the powers of the Federal Home Loan Bank Board, provides explicitly that the sum of $150,000 shall be made available to the Board "which sum, or so much thereof as may be necessary, the Board is authorized to use in its discretion for the accomplishment of the purposes of this section, without regard to the provisions of any other law governing the expenditure of public funds."

Similarly, section 6 (k) of the Banking Act of 1933, establishing the Federal Deposit Insurance Corporation, explicitly provides that the board of directors "shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid."

A similar provision is contained in section 1 of the National Housing Act which, while not establishing a corporation, provides that the Administrator of the Federal Housing Administration shall have authority "to make such expenditures as are necessary to carry out the provisions of this title and titles I and II, without regard to any other provisions of law governing the expenditure of public funds."

Here, again, the provision was not included and has not been used to enable the corporation to commit unlawful acts, but merely to enable an administration performing a specialized type of work to determine the necessity for its expenditures and to make such expenditures without regard to the ordinary rules applicable to regular governmental activities. The purpose of the provision is merely to enable the administration to carry on its affairs in a manner in accordance with ordinary commercial accounting methods and not to be bound by the ordinary rules governing governmental expenditures which were not designed for specialized activities of this type.

A similar provision is contained in section 402, subsection (c), paragraph 5, of the National Housing Act, creating the Federal Savings and Loan Insurance Corporation. In setting forth the powers of the Corporation, the section in question provides that the Corporation "shall determine its necessary expenditures under this chapter and the manner in which the same shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds."

In support of this explanation, I have no lesser authority than the Supreme Court of the United States. In the case of *Skinner and Eddy Corporation* v. *McCarl* (275 U. S. 1), decided 10 years ago, an attempt was made to force the Comptroller General by a writ of mandamus to pass upon the claim of the Skinner & Eddy Corporation against the Emergency Fleet Corporation arising out of contracts for the construction of vessels entered into with that Corporation. The Comptroller General refused to pass on the claim on the ground that the audit and control of its financial transactions was, as a matter of general law, committed to its own corporate officers.

The Supreme Court affirmed a decision of the Court of Appeals of the District of Columbia dismissing the writ of mandamus. The Supreme Court in it opinion reviewed the history of Government-owned corporations, including the Food Administration Grain Corporation, organized in 1917; the United States Spruce Corporation, organized in 1918; the United States Housing Corporation, organized in 1918; the War Finance Corporation, organized the same year; and the Panama Railroad Co., the Inland Waterways Corporation, organized in 1924; and the Federal intermediate credit banks, organized in 1923. Referring to all of these corporations, Justice Brandeis said as follows:

"The accounts of the Fleet Corporation, like those of each of the other corporations named, and like those of the Director General of Railroads during Federal control, have been audited, and the control over their financial transactions has been exercised, in accordance with commercial practice, by the board or the officer charged with the responsibilities of administration. Indeed, an important, if not the chief, reason for employing these incorporated agencies was to enable them to employ commercial methods and to conduct their operations with a freedom supposed to be inconsistent with accountability to the Treasury under its established procedure of audit and control over the financial transactions of the United States."

I invite your attention to the forceful point made by Justice Brandeis, namely, that an important if not the chief reason for employing corporations is to enable them to employ commercial methods and conduct business operations with a freedom which cannot be obtained under routine governmental procedures and regulations.

It should be noted that the provision in 6 (h) is like the provisions in all the other acts establishing corporations which, in accordance with the law and the policy considerations pointed out by Justice Brandeis, authorize the corporation to determine its expenditures and the method in which they shall be made "without regard to the provisions of any other law governing the expenditure of public funds."

The only difference between the provisions in these other acts and the provision in 6 (h) is the addition of the words "and such determination shall be final and conclusive upon all other officers of the Government." This provision was not included with any unlawful design but merely to make clear that the responsibility for making current expenditures is placed upon the Corporation, and that Treasury disbursing officers would be under no liability in the event funds were disbursed on Corporation vouchers which, on subsequent audit, were found to be incorrect.

A similar provision, as I pointed out yesterday, is included in the crop-insurance bill, again for the purpose of placing responsibility for the correctness of vouchers on the Corporation and relieving Treasury disbursing officers from the responsibility of reviewing such vouchers.

In this connection I might also call attention to a very similar provision which is included in the bill to establish a United States Housing Authority, introduced by the Senator from New York as S. 1685. Section 6 (a) of that bill reads as follows:

"* * * The Authority shall determine and prescribe the manner in which its obligations and expenses shall be incurred, allowed, and paid, and the manner in which accounts shall be audited. Vouchers approved by the Authority for expenditures of its funds shall be final and conclusive upon all officers of the Government, except that all financial transactions of the Authority shall be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination shall be for the sole purpose of making a report to the Congress and to the Authority of expenditures in violation of law, together with such recommendations thereon as the Comptroller General deems advisable."

This provision in the proposed housing bill is virtually identical to that included in the present bill, there being the same provision for audit by the General Accounting Office for the purpose of making a report to Congress.

EXPLANATION OF SECTION 6 (F)

This section, which was criticized by the Senator from Wyoming, provides that the corporation—

"(f) Shall be entitled to the free use of the United States mails in the same manner as other executive agencies of the Government."

I need only say in justification of this provision that it is universally provided for in every corporation of a similar character established by the Congress. Thus section 6 (k) of the Banking Act of 1933 provides that the Federal Deposit Insurance Corporation "shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government."

Section 4 of the Reconstruction Finance Corporation Act provides as follows:

"The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government."

Section 19 of the Federal Home Loan Board Act authorizes that—

"The Board shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government."

Paragraph (5) of subsection 3 of section 402 of the National Housing Administration Act authorizes the Federal Savings and Loan Insurance Corporation "shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government."

There would seem to be no justification whatsoever for criticizing the inclusion of a similar provision in the present act, unless these other Government corporations are also denied the free use of the United States mails in the same manner as the executive departments of the Government.

EXPLANATION OF SECTION 8 (C), PAGES 23 AND 24

Some criticism was made by the Senator from Wyoming of the proviso appearing on lines 5 and 11 on page 24 of S. 106. This proviso is to the effect that before transmitting its report to the Congress the General Accounting Office shall give the Corporation "reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report."

It would seem that this proviso, instead of being objectionable, is highly desirable in order to give the Congress whatever explanations the Corporation may have to specific exceptions or criticisms made by the General Accounting Office. This procedure would seem to involve a saving of time to the Congress and to furnish a method by which a full report with respect to any questionable item can be received at the same time both from the General Accounting Office and the Corporation.

The provision in question is almost identical with the provision in section 9 (b) of the Tennessee Valley Authority Act of 1933. The

corresponding section of the Tennessee Valley Authority Act reads as follows:

"The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. He shall make report of each such audit in quadruplicate, one copy for the President of the United States, one for the chairman of the Board, one for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report * * *."

It might be added that the provisions in section 8 (c) providing for audit by the Comptroller General goes further than any of the statutes with respect to other Government Corporations. For example, the Reconstruction Finance Corporation Act contains no provision whatever for audit by the General Accounting Office.

EXPLANATION OF SECTION 6 (I)

This section which was criticized by the Senator from Colorado reads as follows:

"The Corporation * * *

"(i) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation and all such incident powers as are customary in corporations generally."

This provision is very similar to provisions of the same import in other statutes. The following are a few examples:

Section 6 (j) of the Banking Act of 1933, establishing the Federal Deposit Insurance Corporation, includes in the enumeration of powers granted to the Corporation the following:

"Seventh. To exercise by its board of directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this section and such incidental powers as shall be necessary to carry out the powers so granted."

Section 4 (g) of the Tennessee Valley Authority Act of 1933 provides that the Tennessee Valley Authority "shall have such powers as are necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation."

Likewise, section 2 of the Federal Farm Mortgage Corporation Act of 1934 gives the Federal Farm Mortgage Corporation power to exercise "such other powers as may be necessary and incident to carrying out its powers and duties under this subchapter."

The provision in section 6 (i) is practically identical with the provisions in the statutes to which I have just referred. If there is any possible doubt as to the meaning of the section, the last six words reading, "as are customary in corporations generally", could be made entirely clear by using the wording in section 6 (j) of the Banking Act of 1933, which reads "as shall be necessary to carry out the powers so granted."

The PRESIDENT pro tempore. If there be no further amendment to be proposed to the amendment reported by the committee, the question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. BANKHEAD. Mr. President, I now move that the Senate proceed to the consideration of House bill 7562. That is the House bill on the same subject as the bill we have been considering. I desire to have it substituted for the Senate bill, so that the matter may go directly to conference.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Alabama.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, which was read twice by its title.

Mr. BANKHEAD. I move that the House bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of the Senate committee amendment to Senate bill 106, as amended.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Alabama.

The motion was agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be proposed to the House bill, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Upon motion of Mr. BANKHEAD, the title was amended so as to read: "A bill to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, and for other purposes."

Mr. BANKHEAD. I move that the Senate insist upon its amendments and ask for a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BANKHEAD, Mr. POPE, and Mr. FRAZIER conferees on the part of the Senate.

Mr. BANKHEAD. I now ask unanimous consent that Senate bill 106 be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF BOTTLING IN BOND ACT

Mr. HARRISON. Mr. President, I ask unanimous consent for the present consideration of House bill 6737, a bill on the calendar which will not precipitate any discussion. It is for the purpose of modernizing the methods of printing and distributing the strip stamps on bonded liquor bottles. The passage of the bill is recommended by the Treasury Department. It will bring in a little more revenue. It is my understanding that the distillers have approved it. There is no objection to the bill from any source of which I know, and I hope the Senate will pass the bill promptly.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6737) to amend the stamp provisions of the Bottling in Bond Act, which was read, as follows:

Be it enacted, etc., That the first and fourth paragraphs of section 1 of the act entitled "An act to allow the bottling of distilled spirits in bond", approved March 3, 1897, as amended (U. S. C., 1934 ed., Supp. II, title 26, sec. 1276), are designated "(1)" and "(6)", respectively, and the second and third paragraphs of said section are amended to read as follows:

"(2) Every bottle when filled shall have affixed thereto and passing over the mouth of the same a stamp denoting the quantity of distilled spirits contained therein and evidencing the bottling in bond of such spirits under the provisions of this act, and of regulations prescribed hereunder.

"(3) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe (a) regulations with respect to the time and manner of applying for, issuing, affixing, and destroying stamps required by this section, the form and denominations of such stamps, applications for purchase of the stamps, proof that applicants are entitled to such stamps, and the method of accounting for receipts from the sale of such stamps, and (b) such other regulations as the Commissioner shall deem necessary for the enforcement of this act.

"(4) Such stamps shall be issued by the Commissioner of Internal Revenue to each collector of internal revenue, upon his requisition in such numbers as may be necessary in his district, and, upon compliance with the provisions of this act and regulations issued hereunder shall be sold by collectors to persons entitled thereto, at a price of 1 cent for each stamp, except that in the case of stamps for containers of less than one-half pint, the price shall be one-quarter of 1 cent for each stamp.

"(5) And there shall be plainly burned, embossed, or printed on the side of each case, to be known as the Government side, such marks, brands, and stamps to denote the bottling in bond of the whisky packed therein as the Commissioner may by regulations prescribe."

Mr. BORAH. Mr. President, may I ask the Senator from Mississippi to explain the bill? Is the liquor industry asking for increased taxes?

Mr. HARRISON. The Bottling in Bond Act of 1897 provided for placing green strip stamps on bonded liquor bottles. Those stamps had to be printed in the Bureau of Engraving and Printing, and it was necessary that much identifying data be overprinted on such stamps. The procedure has proved to be most cumbersome. It was necessary to perform a separate printing job to overprint these stamps in each instance. In the Liquor Taxing Act of 1934 we provided for placing red stamps on bottles containing unbonded

liquor, and provided also that commercial interests might, under departmental regulations, handle the overprinting of identifying data. The Treasury Department has recommended that practically the same procedure be followed in the case of the green stamps as in the case of the red stamps, and they claim that we will get a little more revenue from it and that it will materially expedite the production and distribution of these stamps. The interests that are concerned do not object to the bill, but have approved it. The bill has passed the House unanimously and is unanimously reported by the Finance Committee.

Mr. BORAH. The bill will not interfere with the flow of liquor?

Mr. HARRISON. I presume not.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL CREDIT UNION ACT

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of House bill 6287, Calendar No. 855.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill (H. R. 6287) to amend Public Act No. 467, Seventy-third Congress, entitled "Federal Credit Union Act", which was read, as follows:

Be it enacted, etc., That the Federal Credit Union Act is amended by inserting at the end thereof the following new section:

"SEC. 21. Upon application by any credit union organized under State law or by any Federal credit union organized in accordance with the terms of this act, the membership of which is composed exclusively of Federal employees and members of their families, which application shall be addressed to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which said credit union or Federal credit union does business, such officer or agency may in his or its discretion allot space to such credit union if space is available without charge for rent or services."

Mr. McNARY. Mr. President, will the Senator explain the bill?

Mr. BARKLEY. The bill permits credit unions composed exclusively of Government employees to have desk room in any public building in which space is available. Such credit unions have been occupying desk room in public buildings in many parts of the country; but recently the Comptroller General rendered a decision holding that there was no authority to allow Federal credit unions, even though they are exclusively composed of Federal employees, to have desk room in any post office or other public building. This bill simply authorizes the custodians of public buildings throughout the country, and especially post-office buildings, to allow Federal credit unions made up exclusively of Federal employees to have space, if it is available, in public buildings.

Mr. McNARY. What is the emergency in connection with its passage?

Mr. BARKLEY. The emergency is really over, for the bill should have been passed before the 1st day of July, but we did not have a chance to present it. The Post Office Department, the Farm Credit Administration, and all the Federal agencies have recommended the passage of the bill. It will not interfere in any way with the performance of the duties of other branches of the Government, but it will permit the use of desks in offices in Government buildings where members of credit unions may pay their assessments and their dues and transact their business.

Mr. McKELLAR. It is being done now, is it?

Mr. BARKLEY. It was done, and is being done; but the Comptroller General held that it was done without authority. The bill has passed the House, and is unanimously recommended by the Senate committee.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Chester A. Brown to be postmaster at Idaho Springs, Colo., in place of E. L. Regenmitter, resigned.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Charles Blaine Smathers, Pennsylvania National Guard, to be brigadier general, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

He also, from the same committee, reported favorably the nominations of sundry second lieutenants, Officers' Reserve Corps, for appointment in the Regular Army under the provisions of law.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

ARMY NOMINATIONS

Mr. SHEPPARD. On behalf of the Committee on Military Affairs, I have just reported some routine nominations. I ask unanimous consent for their present consideration, and that the President be notified of their confirmation.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? The Chair hears none. The nominations are confirmed, and the President will be notified.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF STATE—HUGH R. WILSON

The legislative clerk read the nomination of Hugh R. Wilson, of Illinois, to be an Assistant Secretary of State.

Mr. LEWIS. Mr. President, as to this designation, I have expressed myself adversely, and have given the reasons. Subsequently it has been brought to my attention that this gentleman has long been in service, has been a very faithful officer, is a man of splendid executive ability, and the Department recommends that he should continue his career as a necessity to the Diplomatic Service.

In view of that representation I desire to withdraw whatever reasons I might have had or expressed for opposition, in no wise to press them, and permit this gentleman to secure the reward which the State Department says he has deserved by reason of his public service.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Miss Margaret M. Hanna, of Kansas, to be a Foreign Service officer of class 5, a consul, and a secretary.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

ADJOURNMENT TO TUESDAY

The Senate resumed legislative session.

Mr. BARKLEY. In accordance with the unanimous-consent agreement previously entered into, I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 2 o'clock and 31 minutes p. m.) the Senate, under the order previously entered, adjourned until Tuesday, July 6, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 2 (legislative day of June 15), 1937

ASSISTANT SECRETARY OF STATE

George S. Messersmith, of Delaware, to be an Assistant Secretary of State.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Wilbur J. Carr, of New York, now an Assistant Secretary of State, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Czechoslovakia, vice J. Butler Wright.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Robert Jones Moulton, Coast Artillery Corps, with rank from June 30, 1936.

TO INFANTRY

First Lt. James Leo Dalton 2d, Cavalry, with rank from June 13, 1936, effective October 1, 1937.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2 (legislative day of June 15), 1937

ASSISTANT SECRETARY OF STATE

Hugh R. Wilson to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

Miss Margaret M. Hanna to be a Foreign Service officer of class 5, a consul, and a secretary in the Diplomatic Service of the United States of America.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Leonard Henderson Sims to Finance Department.
First Lt. Maddrey Allen Solomon to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be lieutenant colonels

William John Miehe
Claude Wiggins Cummings
Robert Henry Lowry, Jr.
Richard King Cole
William White Southard

To be majors

Douglas Sheldon Kellogg
Loren Donovan Moore
Arthur Brinkley Welsh
Eugene Wycoff Billick
Earle Standlee
Cecil Walker Dingman
William Kraus
Reuel Edward Hewitt
Martin Eugene Griffin
Mack Macon Green
William Edward Shambora
Charles Henderson Beasley
Clifford Albert Best
Alvin Levi Gorby
George Ellis Armstrong

To be captains

Donald Meyers Ward
Angvald Vickoren
William Earl Barry
Emmert Carl Lentz
James Leslie Snyder
Raymond Richard Johanson
Thair Cozzens Rich
Frank Hugh Lane
Byron Glen McKibben
John DeWitt Morley
Frederic Ebelhare Cressman
Robert Tuthill Gants
Edward Beebe Payne
George Foster Peer
Harold Everus Harrison
Marshall Nelson Jensen
Stephen Christopher Sitter

DENTAL CORPS

Mackey Joseph Real to be major.

VETERINARY CORPS

To be captains

William Edwin Jennings
Curtis William Betzold

CHAPLAIN

John Simeon Kelly, United States Army, to be chaplain with the rank of captain.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS

Carroll Thompson Newton, Corps of Engineers.
Donald Clinton Clayman, Infantry.
Joseph Warren Sisson, Jr., Infantry.
David Greene Hammond, Corps of Engineers.
Joseph Russel Groves, Infantry.
Robert Whitsett van de Velde, Field Artillery.
Arthur George Christensen, Infantry.
Harry Gantcliffe Benion, Infantry.
Arthur Howland Baker, Jr., Field Artillery.
Arthur Charles Harris, Jr., Infantry.
Linwood Eugene Funchess, Corps of Engineers.
Laurence Clifford Brown, Infantry.
Jesse Mechem, Infantry.
Walter Ward Davis, Infantry.
William Andrew Enemark, Field Artillery.
Merten Kenneth Heimstead, Infantry.
Thaddeus Ronsaville Dulin, Infantry.
Leon John de Penna Rouge, Infantry.
Gaylord Walton Fraser, Infantry.
William Sherbourne McCrea, Infantry.
Donald Frederick Thompson, Infantry.
John Gordon Nelson, Coast Artillery Corps.
Chester Martin Beaver, Infantry.
Edward Wallace McLain, Coast Artillery Corps.
John Unsworth Allen, Corps of Engineers.
Byron William Ladd, Infantry.
Lyman Hodges Ripley, Coast Artillery Corps.
Francis Carlton Truesdale, Infantry.
William Shepherd Humphries, Infantry.
Donald Washington, Infantry.
Charles Robert Etzler, Infantry.
Philip Cochran Tinley, Infantry.
Charles Murray Henley, Infantry.
John Brockway Rippere, Corps of Engineers.
Steve Archie Chappuis, Infantry.
Elmer Bolton Kennedy, Field Artillery.
James Jackson Stewart, Jr., Infantry.
Thomas Brownbridge Simpson, Corps of Engineers.
Paul Thomas Boleyn, Infantry.
Fredrick William Nagle, Infantry.
Otho Anthony Moomaw, Coast Artillery Corps.
Jabus Willie Rawls, Jr., Coast Artillery Corps.
Andrew Buehler Zwaska, Infantry.
Jack Leslie Coan, Corps of Engineers.
Edward Francis Kent, Infantry.
George William Croker, Coast Artillery Corps.
Willard Wright Lazarus, Air Corps.
William Hart Hanson, Infantry.
John Willis Paddock, Infantry.
Joe Stallings Lawrie, Infantry.

APPOINTMENT IN THE NATIONAL GUARD

GENERAL OFFICER

Charles Blaine Smathers to be brigadier general, National Guard of the United States.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 2, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Father, we praise Thee that we are involved in a moral order which Thou hast ordained. We thank Thee that Thy changeless goodness pours itself upon us day by day. Gracious Lord, we rejoice in the ultimate triumph of civilization in that spirit which moved our forefathers to lift the veil of this western world. Their heroic, sacrificial devotion startled mankind no less than the principles they proclaimed. We pour at Thy altar a prayer of thanksgiving for the government they gave us—so lofty in its purpose, so wise in its construction that it guarantees to every citizen life, liberty, and the pursuit of happiness. We thank Thee for the immortal document, the Declaration of Independence, broad in its denunciation of injustice and just in its declaration of the right. O Prince of Peace, on Thee we base our hopes and longings for all that makes life

dear. Increase our religious fervor and inspire us with holy patriotism that the genius of our Republic may be fulfilled. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 434. Joint resolution to amend the act entitled "An act to amend section 4471 of the Revised Statutes of the United States, as amended."

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution adopted by the Chicago Federation of Labor having reference to a bill I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I rise to call the attention of the House to a signal honor which was recently conferred upon my colleague the gentleman from Michigan [Mr. ENGEL]. I refer to the action of the board of regents of the University of Michigan, on June 19, making Mr. ENGEL an honorary alumnus of the university.

In conferring the honor, the citation issued was as follows:

ALBERT JOSEPH ENGEL, Member of the United States Congress, from the Ninth Michigan District, has evidenced in many ways his interest in education and his loyalty to the university of the State in which he has made his home. A graduate of the law school of Northwestern University, he was admitted to the bar in 1910 and has since practiced at his home at Lake City. As a senator from his district, during four different sessions of Michigan's State Legislature, he proved himself a true and sympathetic advocate of the best interests of higher education. During the World War he served for 2 years in the American Expeditionary Force, retiring in 1919 with the rank of captain. As a Member of the House of Representatives, he has become well known in Washington for his interest in legislation affecting the training of youth. It is an honor and a pleasure to present to you, ALBERT JOSEPH ENGEL, as an honorary alumnus of the university, upon the unanimous action of the university committee on alumni relations, confirmed by the board of regents.

It is my privilege and honor to represent in this body the Second Congressional District of Michigan, in which is located the great University of Michigan. This university is very careful about bestowing honors of this kind, and I am informed that there are only nine persons now living to whom such an honor has been given.

I am sure that all Members of Congress will be pleased to join with me in congratulating Mr. ENGEL upon this distinction. [Applause.]

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial which appeared in certain New Jersey newspapers.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

BONNEVILLE DAM PROJECT

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, the Committee on Rivers and Harbors, on which I hold membership, has reported out favorably the bill (H. R. 7642) to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and other purposes, and follows closely the language and provisions of my bill, H. R. 4948, introduced February 19, 1937. Passage of the bill H. R. 7642 is recommended with one amendment, on page 11, in lines 7 to 11, inclusive, to strike out "The Federal Power Commission in fixing rates for power on amortization costs on all major Federal power projects shall establish a rate of interest which shall be uniform throughout the United States", which is a new provision which was not contained in my bill, H. R. 4948, nor in any of the other bills which were introduced. It is the opinion of a majority of the committee that such a provision, pertaining to and affecting all Federal power projects, should properly be considered in connection with the zone legislation to provide regional administration of all such projects as recently recommended by the President in his message to the Congress and after the cost of generating electric power and the cost of financing in various parts of the country have been thoroughly studied and probed as a basis for correctly determining the question of uniformity of interest rates and other related subjects.

GENERAL PURPOSES OF THE BILL

The bill provides that the Bonneville project, now in the course of construction and nearly completed on the Columbia River at Bonneville in the State of Oregon and North Bonneville in the State of Washington, shall be completed, maintained, and operated under the direction of the Secretary of War and the supervision of the Chief of Engineers, subject to certain powers therein conferred upon the Columbia River administrator respecting the transmission and distribution of surplus electric energy generated at said project. Power will be ready for transmission late this year or early in the next and consequently the matter requires prompt consideration.

This bill also confers jurisdiction upon the Federal Power Commission to approve and revise rates to be charged for the sale of the surplus electric energy.

The bill represents the synthesis of recommendations made by various Members of the Congress from the Northwest and of the committee after extensive study of this subject. The Bonneville administration is intended to be provisional pending establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin.

The bill, with the exception of section 6, deals exclusively with the maintenance and operation of the Bonneville project and provides that surplus electric energy generated at said project may be sold under contracts to States, political subdivisions thereof, or to individuals or privately owned corporations, but preference is given to States and public bodies. In order fully to preserve and protect the preferential rights established by the bill, 50 percent of the firm electric energy generated at Bonneville shall be reserved until January 1, 1941, for public bodies, and thereafter conflicting applications between any public agency on the one hand and any private agency on the other shall be resolved in favor of the public agency. Contracts for the sale of surplus energy shall be for terms not exceeding 20 years, including renewals.

Section 6 provides machinery for making certain readjustments in the Boulder Canyon Project Act occasioned by the standards set up in this act.

SECTIONAL ANALYSIS OF THE BILL

Section 1 carries the reference to the Bonneville project, which is to be completed for the purpose of improving navigation on the Columbia River and leaves the operation in the control of the Secretary of War.

Section 2 states that the administrator shall dispose of surplus energy. The administrator is to be appointed by and be responsible to the Secretary of the Interior. He shall act in consultation with an advisory board composed of a representative designated by the Secretary of War, another by the Secretary of the Interior, and a third by the Federal

Power Commission. The administrator is authorized to transmit electric energy so as to encourage the widest possible use and to prevent monopolization by limited groups or localities. He is authorized in the name of the United States to acquire by purchase, condemnation, or otherwise, real and personal property, including lands, franchises, transmission lines, substations, and patent rights. The administrator is authorized to sell or dispose of property, except that in the case of real property or transmission lines he must secure the approval of the Secretary of the Interior. He is authorized to enter into such contracts as are necessary to carry out the purposes of the act.

Section 3 defines the terms "public bodies" and "cooperatives" as used in the act and establishes a preference in the disposal of electric energy for public bodies and cooperatives. To preserve these preferential rights, not less than 50 percent of the electric energy at Bonneville shall be reserved for sale to public bodies until January 1, 1941. Public bodies and cooperatives are to be given every opportunity to perfect their legal organization and vote bonds and market them.

The policy of Congress is declared in section 3 to be the preservation of the preferential status of the public bodies and cooperatives and to give the residents of States within economic transmission distance of the Bonneville project reasonable opportunity to take any action necessary to become fully qualified purchasers and distributors of electric energy available under the act. Further, the Administrator, insofar as practicable, shall cooperate with States and public bodies and cooperatives within economic transmission distance of the Bonneville project to enable them to avail themselves of the preferential rights and priorities afforded by the act.

Section 4 authorizes the administrator to negotiate contracts for the sale at wholesale of electric energy for resale or direct consumption, provided that private persons or agencies other than privately owned public utilities are forbidden to resell electric energy to a private utility; contracts shall be for not more than 20 years, with provisions for equitable adjustment of rates not less frequently than once in 5 years, and in the case of a private utility contracts shall be cancelable upon 5 years' notice in writing if there is reasonable likelihood that any part of the electric energy sold under the contract will be needed for a public body. Contracts shall also contain stipulations concerning resale and resale rates to insure that the ultimate consumer shall pay rates which are reasonable and nondiscriminatory.

Section 5 prescribes that the administrator shall fix rates for surplus electric energy subject to the approval of the Federal Power Commission. If any rate schedule so submitted is not approved, then the Federal Power Commission may revise such schedules in conformity with standards prescribed by the act, and as so revised such schedule shall become effective. Rate schedules shall be fixed with a view to encouraging the widest possible use of electric energy, having regard, however, to the recovery of the costs of producing and transmitting electricity, including amortization of the capital investment, including interest over a reasonable period of years in order to distribute the benefits of an integrated transmission system and to encourage the equitable distribution of electric energy. The rate schedules may provide for uniform rates or rates uniform throughout prescribed transmission areas.

This is an important proviso because it contemplates and permits the establishing of certain rates within certain prescribed areas at and adjacent to the switchboard and also within prescribed transmission areas.

Section 6 authorizes the President to direct the holding of public hearings by an agency designated by him, to report to him by December 31, 1937, respecting any unreasonable discrimination against the Boulder Canyon project with respect to charges against power for construction costs, amortization, and interest. Subject to the approval of the President, the Secretary of the Interior shall make such changes as are recommended by the investigating agency notwithstanding the provisions of any other statute. Authorization is also given for lump-sum payments to the States of Nevada and Arizona in lieu of payments now provided for by the Boulder Canyon Project Act. The Government is protected as to the payments to these two States because it fixes rates, and any deficiency in revenue to meet the payments may be covered in effect by surcharges upon rates otherwise appropriate. The seven States of the Colorado River Basin are interested in a "separate fund" which comes into existence only after the Government has been repaid in full. Prior to this time residual revenues, if any, after payments to the States of Arizona and Nevada, do not, under the Boulder Canyon Project Act or under this section, go into such fund, but are applied to accelerate amortization of the investment. Any rights any States may have are very specifically protected by paragraph (c).

Section 7 provides a method for purchase of supplies and services.

Section 8 directs the Administrator to keep certain accounts; authorizes certain expenditures and directs him to make an annual report to Congress through the Secretary of the Interior.

Section 9 authorizes employment of attorneys, engineers, and other experts and imposes civil service on the general staff.

Section 10 provides that all receipts from the Bonneville project shall be covered into the Treasury and sets up a continuing fund of $500,000, subject to check by the administrator to defray emergency expenses and to insure continuous operation. It also authorizes appropriation out of moneys not otherwise allotted such sums as may be necessary to carry out the provisions of the act.

Section 11 authorizes the administrator to bring suits either at law or in equity and to be represented in all litigation by such counsel as he may select.

Section 12 is a separability clause.

Mr. Speaker, it is hoped that a rule can be secured in the very near future to bring this Bonneville legislation before the House for consideration, in order that the proper and necessary administrative facilities may be provided and ready to function as soon as the power is available for transmission the latter part of this year.

DEDICATION OF CHAPELS AND OTHER WORLD WAR MEMORIALS IN EUROPE

The SPEAKER. Pursuant to the provisions of section 1, of Public Resolution 45, Seventy-fifth Congress, the Chair appoints as members of the delegation to attend the dedication of the chapels and other World War memorials erected in Europe the following Members of the House of Representatives: Mr. HILL of Alabama, Mr. LAMBETH, and Mr. EATON.

EXTENSION OF REMARKS

Mr. GARRETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the bill H. R. 7562, which has to do with farm tenancy.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Under a special order of the House heretofore made, the gentleman from Texas [Mr. MAVERICK] is recognized for 30 minutes.

FILM AT LA FOLLETTE CIVIL LIBERTIES COMMITTEE SHOWS MURDERS OF PICKETS IN CHICAGO

Mr. MAVERICK. Mr. Speaker, I was a little late getting here, and the reason is because I just viewed a film over in the Senate caucus room, before the La Follette Civil Liberties Committee, showing the killing of pickets near the steel plant over in Chicago. This was one of the most uncommonly brutal things I have ever seen in my life.

It showed an attack made entirely by the police.

And not a single policeman was hurt in this attack.

Ten of these workingmen were murdered by the police at that time.

After these men were on the ground and the crowd dispersed, the picture showed a policeman walk over and coolly

beat a prone man over his head and several of them seen to have been killed after the crowd had been dispersed, and the people were lying on the ground. This was in sound, and the facts are such that no one in the United States of America can in any way doubt the cold-blooded murder of 10 men.

It will always be known as the shame of Chicago. It will always be known as the shame of America, and one of the most shameful occurrences in the history of any civilized country.

Yes, in America today there is violence and talk of violence; one Congressman is so excited he speaks of civil war, and the old cry of communism is ripping through the air again.

TWO GIGANTIC FORCES OPPOSE EACH OTHER

Unquestionably two gigantic forces are at war with each other.

One, the great industrialists and those big-business men who refuse to recognize organized labor or collective bargaining.

The other force includes the American people who want economic justice, who want collective bargaining, and who, by the way, are now successfully organizing in great labor unions.

We Democrats were elected by that latter group—the farmer, the worker, the average American, the ordinary businessman, and I propose that we keep our promises.

PRESIDENT ROOSEVELT AT MADISON SQUARE GARDEN

Can we forget the Madison Square Garden speech of the President? That is still a burning political document, and it was in his heart then, and it is in his heart now. He called the roll that night, and I hope the roll is called again, so everyone can know on which side we stand in reference to democracy and the accomplishment of our ends.

You remember he said:

> Never before in all our history have these forces been so united against one candidate as they stand today. They are unanimous in their hate for me—and I welcome their hatred.

And now today the forces of reaction and privilege are at it again. We need not forget either the Democratic platform, in which we promised a square deal to the farmer and the laborer, the tenant, the youth; also we promised the preservation of civil liberties.

CONTROVERSY OF SECRETARY OF LABOR; GOVERNOR DAVEY

Now, Mr. Speaker, on June 28 Mr. Cox, the gentleman from Georgia, made a speech denouncing the Secretary of Labor in connection with the C. I. O. It was a bitter attack, quite unfair, and I believe that it was wholly unwarranted, and without any basis whatsoever, with the possible exception of a bare statement by Governor Davey, of Ohio, that the Secretary of Labor said she wanted Tom Girdler kidnaped. The charge by Governor Davey sounds like the story of an excited and imaginative child.

But the gentleman from Georgia said as follows:

> While we did not need this statement to know that the Secretary approves of the use of violence under some circumstances, we were not prepared to expect the advocacy of duress and extortion from one standing so high in the service of the Government.

And in addition to this, the gentleman from Georgia said something about being led into the very heart of communism. He wound up his speech by saying:

> This is no time for the suspension of public laws.

I agree that this is no time for the suspension of laws. But the truth is the Secretary of Labor suggested the use of the public law of Ohio; Governor Davey refused and let the steel companies have their way.

LAW OF OHIO PROVIDES MACHINERY OF PEACEFUL SETTLEMENT

The law of Ohio provides for the calling together of the participants in a strike or industrial dispute if the Governor cares to do so. The purposes are legal, constitutional, and proper; they provide the peaceful machinery of settling strikes.

The Secretary of Labor requested this in connection with the attitude of the steel mediation board, which reported as follows:

> We cannot but believe that the bitterness and suspicion which separate the two sides would be allayed by a man-to-man discussion around the conference table, and that the only hope of settlement lies in such a meeting.

Mr. Speaker, it was the steel company, not the union, that refused a meeting; and there is no reasonable evidence whatever that the Secretary of Labor suggested anything even of an unwise nature; everything points to the fact that what she tried to do was quite sensible.

Mr. Speaker, if the gentleman believes what he said is true, he should bring impeachment charges on this floor.

NEWSPAPERS SHOW BETTER NEWS TODAY

Mr. Speaker, it looks pretty dark, but I want to call attention to the press today. I did not even know it, but Labor, the railroad magazine, which is very conservative, stated, "Rail strikers are standing firm." The C. I. O. has appeared to have the spotlight, but it seems even the railroad men are having their troubles and standing firm.

In the Philadelphia Record, which is a consistently liberal newspaper, are words of advice to labor, and labor is somewhat criticized, which shows that they are being unbiased about it, because they are friendly to labor.

The New York Times states that in the report the companies are criticized, not the strikers and not the C. I. O. That also is a conservative newspaper.

Then we see in the Washington Herald, "Thousands return to Inland under truce. Youngstown mills plan to reopen."

In the Washington Post appear these words, "Steel firms bar peace by C. I. O. stand, say arbiters."

Then, the Herald Tribune, of New York, states that Governor Townsend, of Indiana, is nearing a strike truce for Youngstown's Indiana mill.

The Sun, of Baltimore, shows that the police fired on the strikers in Chicago, and on the editorial page appears a criticism of police brutality. Then it is stated that a policeman defined a Communist as a man who "is here to undermine the Government and to assault policemen." This was the excuse for murdering those people.

CIVIL WAR, AND THE FLOWER OF SOUTHERN MANHOOD

Concerning the general situation and Mr. Cox, the gentleman from Georgia, on Wednesday, June 30, he made another speech about the C. I. O. It was hysterical; to me it seemed highly provocative and one calculated to bring bloodshed and disorder. He started talking about civil war and ended talking about civil war. On behalf of the South he spoke of havoc, bloodshed, and loss of lives—then he warned the Committee for Industrial Organization that they will be met by the flower of southern manhood and they will reap the bitter fruits of their own folly. He did not say specifically, but it means nothing else to me, that he warns this organization, should it come into the South, that their mere coming in will mean that their constitutional rights of organization and collective bargaining will be denied, and that, as he says several times, there will be bloodshed and civil war. It is not exactly an engraved invitation to revolution and civil war, but in uttering such words, in advocating things of that kind, irreparable damage is done to the South and to the Nation.

Also Negroes are brought into the argument. I will not argue on such an emotional subject; but when the bloody shirt is waved, not by a northerner but by a southerner, when to that is added a cry about carpetbagging expeditions, it sounds more hysterical than ever. Mr. Speaker, we cannot solve our problems in the South by shouting about carpetbaggers or suggesting civil war to meet labor organizers with the flower of southern manhood.

ONE HUNDRED AND FIFTY THOUSAND SOUTHERN WORKERS ALREADY ORGANIZED IN TEXTILES

And it might interest the gentleman and the country to know that 150,000, principally young women, have been organized in the textile industry in Georgia and other Southern States. The organizers were southern men, whether the flower of southern manhood or not I do not know.

To say the least, none of the flowers who are now in Congress—North, South, East, or West—will shed any blood in

any conflict. As for the South, it is a part of the United States, and its people are ready and willing to assume the burdens of any other States. What the flower of southern manhood needs is jobs, and not civil wars, or shooting scrapes indulged in as or by vigilantes. [Applause.]

WE NEED COOL HEADS, SETTLEMENT, AND MEDIATION

This, my friends, is not just an attack on Mr. Cox. It concerns our great problems today, and now I call for cool heads, I plead for peace, and I ask that there be adjustment, settlement, conciliation, mediation.

Oh, I laugh sometime at the language used by some of our conservatives. Sometimes I am called a left-winger, sometimes a liberal, sometimes worse; but who is calling for blood and violence? Why, gentlemen, they are those who prate about the preservation of the Constitution, those who carry their patriotism on their sleeves, the ones who call themselves conservatives and wrap themselves in the flag.

Has any one of these so-called conservative gentlemen cried out about the 10 men murdered on Memorial Day in Chicago by the police? No; not one. That was one of the bloodiest and most shameful pages in American history, as I said in the beginning of my speech. Ten men murdered, shot down, and of the 10, 7 shot in the back. But no leading conservative denounced it; none of those proclaiming their own patriotism had a word to say; it was similar to England when they began shooting down our American forefathers. The Boston massacre was nothing by the side of it. And that massacre caused the American Revolution.

TORIES OF ENGLAND, NOT AMERICANS, CAUSED REVOLUTION

While we are discussing this, let us be fairly mindful of history. Who caused the American Revolution? Why, the conservatives, gentlemen, the good, self-satisfied, well-fed, smug conservatives of England—men who were too stupid to see that they were forcing the Revolution on the American people. They would not even listen to pleas for conciliation. American radicals did not cause the Revolution; remember that.

What about the last Civil War—I say "last", for the gentleman seems to want to call out the flower of manhood of the South for another—who caused that one? Was it the Negro slaves? No! It was the conservative elements, the people who owned property and slaves, both North and South. And what led to the war, what made it inevitable, was that reactionaries washed their hands of any settlement, refused to go through with any settlement or adjustment, and let the Supreme Court run over the people of the United States.

Today, my friends, it is the same old thing: thoughtless people are yelling their heads off and, for exercise, praising the Supreme Court and denouncing Communists, refusing peaceful settlement, and in effect urging violence.

Yes, my friends, you can read in the paper this morning that the entire blame for the steel situation was the companies' and not the men's. The report said, among other things, that settlement could not be reached, "in view of the attitude of the companies, that it could not accomplish anything further by way of mediation."

Note it said "attitude of the companies."

This report was signed by Charles P. Taft, a Republican, and the son of a great Republican President; Lloyd K. Garrison, and Edward F. McGrady, both of whom, though friendly to labor, are known to be reasonable men. Furthermore, Mr. Lewis agreed to withdraw entirely after he had been objected to, but the companies still refused to mediate.

PEOPLE WANT ORGANIZATION, ECONOMIC JUSTICE, AND LIBERTY

Mr. Speaker, there are two sides to this question, and certainly we as Members of Congress need not be extremists.

I am not impressed by the wild shouts of some of my colleagues on the Republican side. But I am disappointed that a Democrat, a gentleman from the South, a conservative, should act in such a manner. Talk no more about the violence of the actions of the radicals.

Now, Mr. Speaker, in the first part of my speech I mentioned the fact that we have two great forces at work today. I have already mentioned them; first, the great industrialists who want Congress to go home, abandon its duties, and leave the country in anarchy with none of our promises kept; in this way they can handle strikes, blood or no blood, and as they please. So I say let us stay here and finish our job.

But the other major force, my friends, is the great mass of the American people. They want to organize themselves; they want to have collective bargaining; they want economic justice and liberty; they want purchasing power. And what have they gotten? So far not much, and they have been kicked around, abused, and murdered and killed and beaten, both by the regular police, and by company police, and by private armies, hired thugs, labor spies, ex-convicts, and plain private murderers.

But all this brutality is ignored by our pious, patriotic talkers, and instead they yell and shout about communism.

CRY OF COMMUNISM IS GETTING THIN

Oh my colleagues, the old cry of communism is getting very thin. It gets thinner and thinner; it answers no argument; it reveals no facts; it settles no problems. Now, let me talk about John L. Lewis.

In the speech of the gentleman from Georgia and in most of the talk nowadays we hear John L. Lewis! John L. Lewis! Communistic cohorts! Civil war! Communism! Communism! Communism! Red flag of Russia!

I repeat, shouting ugly words will settle nothing. Let us quit using all these meaningless but mean and nasty words and get at our problems.

I said this was a movement, this labor movement, the movement of C. I. O. It is not just John L. Lewis. If John L. Lewis were not in it, there would still be a movement. And whatever John L. Lewis does, wherever he goes, even if it is to the North Pole to stay there with the bad, bad Communists of Russia, the movement will go on.

My purpose is not to praise John L. Lewis, although it is generally recognized he is an abler man than other leaders. I am merely saying this is a movement and, as far as I can see, a valid American movement.

As for communism, I see no evidence of those tendencies in the C. I. O. All I see are strong-minded men who want their American rights. I would like to know when it got to be that a native-born American, born in the hills of Tennessee or the plains of Texas, got to be a Communist because he got up and kicked and demanded a square deal for himself and his family?

MOVEMENT HAS RIGHT TO EXIST UNDER THE CONSTITUTION

Let us see whether this movement has a right to exist. Under the Constitution, the people have a right to organize. They have organized, and, under the same Constitution and the laws of this country, these people have demanded collective bargaining. But the National Labor Relations Board of the United States Government is criticized in a scurrilous manner and accused of partisanship. They are accused of not having fair elections.

Oh, that is absolutely unfair. Before the sit-down strikes the employers refused absolutely to follow the Wagner law. They refused even to permit the workers to have an election. These big industrialists got out injunctions, some 80 or 90 of them, against the Labor Board. And now all the hate of this crowd is directed at the Board, because even the Supreme Court has validated the Wagner Act, which includes the Labor Board.

HYSTERICAL FIGHT TALK ONLY LEADS TO TROUBLE

But the gentleman from Georgia, in his speech, speaks of the "basest emotions and grossest motives" in connection with the labor movement; he says there shall be no "compromise" he says the movement should be "sternly curbed."

But all of this hysterical fight talk leads only to trouble. I call upon my colleagues, I call upon businessmen everywhere, and to the American people to use moderation, to attempt peaceful settlement, to attempt conciliation, to uphold the Wagner Labor Relations Act.

Now, those interested in business, listen to me. I served in a Colorado regiment. Before I had arrived it had done strike duty. It served in the terrible bloody affairs around

Ludlow. And I have talked to the owners, and especially one owner of the big coal mines there, and it has been found that if the mines had given every single demand of the workers the owners would have saved money. Millions were spent on the militia; more millions were spent on private armies, mine guards, and thugs. Today, 23 years later, Colorado has not paid all the money she spent on that bloodshed and murder.

TOM GIRDLER IS NOT A GOOD BUSINESSMAN

So when a contempible character like Tom Girdler comes to Washington, in effect refuses to bargain collectively, insults the Congress and wisecracks about his deathly job—he is, besides being a brute, a poor businessman.

Listen! The workingman of America is not a Communist, he is not a coward, and he is not a sheep. Treat him half right and he will work himself to death. Let us, as free men, demand peace, condemn violence, whether it be perpetrated by organized industry or organized labor. But let us not get violent ourselves. Let us demand that all parties respect the National Labor Relations Act, which we ourselves passed, and which has been held constitutional by the Supreme Court.

Mr. Speaker, I have said about all I care to say about the labor situation, at least in reference to charges and the general situation of violence. But let us Democrats talk politics a little. We are not a labor party, nor a farmers' party. We are an American party devoted to democratic government. But labor and farmers certainly were a major factor in putting us in office. These groups deserve to be recognized, not altogether because we obtained substantial support from them, but because they are entitled to justice.

LOSS OF LABOR OR FARM VOTE WILL DEFEAT DEMOCRATS

And if we as a party lose the support of labor in 1938, we will lose heavily in the elections. If the support is lost in 1940, it is likely that we will lose the majority, and surely the Presidency of the United States. On the other hand, if we should lose the support of the farmers, the result would be the same. We cannot afford to lose the support of either.

And I admit that the constantly misleading and unfair attacks on labor have caused some impatience among the farmers. What, then, should we do? The answer is that we should keep our promises to both groups, enacting minimum-wage and decent labor legislation, and at the same time fair legislation for the farmers and tenants. It is our duty to keep up the purchasing power of both and to protect their rights.

But equally important are several other pieces of legislation, such as a tax bill to close up the loopholes and provide for those to pay who can afford to do so; there is the matter of a great housing program, which we have promised over and over again, and now for nearly 5 years.

There is another thing. I am more convinced than ever that we must enact legislation providing for the reform of the judiciary. It does not alone concern the Supreme Court, but many other features of importance. If I am any judge of the American people, they favor the reform of the judiciary, and want it done before we adjourn this session.

And something more. You can say what you please, President Roosevelt is still the most popular man in the United States. [Applause.]

Surely the Madison Square Garden speech, the Democratic platform, still means something to us. More than the matters we have mentioned, there are still others equally important; these include widening the scope of the Social Security Act and old-age pensions. We must give attention to flood control, prevention of soil erosion, reforestation, and the establishment of the bill for eight T. V. A.'s provided in Senator NORRIS's bill, and as also suggested by the President. All of these things must be done this term.

NATIONAL PROGRAM—KEEP PROMISES—NO SECTIONALISM

Fellow Democrats—and now I am speaking only to Democrats—there is little chance of the Republicans coming back. They have no program. Their only program is to try to break down our program. And I believe that even if we, as a party, should suffer defeats, the Republicans would not return to office. What would happen might be that no party would obtain a majority and we would have three or four political parties, with the election of the President thrown into the House of Representatives.

The only answer is that the Democratic Party should stick together, permit no sectionalism to enter its counsels, and not break apart; and, to repeat, stand by our national program and keep our promises.

I call upon you, upon businessmen, upon laborers and farmers, and upon all Americans for calm heads and reasonable action, for patience, peace, and kind thoughts. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. The Chair will state to the gentleman from Georgia that, under previous order of the House, other Members are entitled to the time. If they will yield to the gentleman for that purpose, the Chair has no objection.

Mr. COX. I would like to inquire of the other gentlemen if they will yield for that purpose?

Mr. HILL of Washington. Mr. Speaker, I shall have to object, because the gentleman had his time the other day, and he can get time after we are through.

The SPEAKER. Objection is heard.

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent that after the business is completed and any special orders on Tuesday next, I may have permission to address the House for 1 hour on the subject of the revenues of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent that after the other special orders of the day today I may proceed for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The gentleman from Washington [Mr. HILL] is recognized for 30 minutes.

Mr. HILL of Washington. Mr. Speaker, I had not planned to talk at all on the subject mentioned in the speech of the gentleman from Texas [Mr. MAVERICK], but I cannot refrain from expressing just a few thoughts on it. A few days ago our splendid Speaker recited a part of that wonderful poem by Edward Markham, The Man With the Hoe:

> Bowed by the weight of centuries he leans
> Upon his hoe and gazes on the ground,
> The emptiness of ages in his face,
> And on his back the burden of the world.
> Who made him dead to rapture and despair,
> A thing that grieves not and that never hopes,
> Stolid and stunned a brother to the ox?
> Who loosed and let down this brutal jaw?
> Whose was the hand that slanted back this brow?
> Whose breath blew out the light within this brain?

Later on in the poem Edward Markham charges the leaders and the rulers of that day and of the days of the past with bringing the man with the hoe to the condition in which we find him. This applied, of course, more in Europe than America, and it was in line with the picture of Millet, of France, that the Man With the Hoe was written; but to a certain extent it is becoming true in our own country, because we are tending toward tenancy on our farms, and this is a very dangerous tendency. It also applies in industry and has applied for decades. All that I want to say is that the employers in the past decades by sowing the wind are now reaping the whirlwind, and you and I have to take the consequences with them.

What I shall say today with reference to our Federal Government and the courts is something that I have thought about for years, and these opinions I have held for the last 15 or 20 years. It is not something new, but it is the basis on which I campaigned for Congress in 1920 and 1924 and was defeated. In 1932 I won, as I did in 1934 and 1936. So I

say to you, my friends, that this is not something new with me but it is a stand that I have taken for the last 15 years.

OUR FEDERAL GOVERNMENT

I do not come to you today to attack the courts. I merely want to limit them to their constitutional functions. I do not come to defend the President. He needs no defense; he can well take care of himself. I do not come to criticize Members of the House and Senate. I want to urge them to shake off the "inferiority complex" which too often grips them, assert their prerogatives, and perform their duties as the elected representatives of the people of the United States. We are members of an independent and coordinate branch of the Government. Let us assert our independence of both the other branches and at the same time show our willingness to cooperate with both for the greatest good to the greatest number. Thus shall we regain our own self-respect and deserve the respect of others.

I want to discuss with you this afternoon the three coordinate branches of our Federal Government and their functions. Not since the Dred Scott decision and the resulting Civil War which laid its devastating hand upon our country has so momentous an issue confronted the people of the United States as the one now agitating the minds of all Americans.

What is the real issue before us today? Stripped of its camouflage it is simply this: Shall we as citizens of a democracy insist that the three coordinate and separate branches of the Federal Government be limited to the functions expressly provided for in our Constitution? That great document is one of express powers as far as the Federal Government is concerned. The Supreme Court itself has so declared time and again. That applies to the judicial as well as the legislative and executive branches.

Now, what are the express powers of the three branches of the Federal Government? Congress is to legislate, to make the laws. This is expressly stated. Nowhere in our Constitution is there any authority for the judicial legislation to which we have been subjected for the past century. The President is vested with the power of executing the law, of administering the law, of carrying out the policies established by Congress. The judges are authorized to interpret the law, to try cases under the laws and the policies established by Congress. Not a word or sentence authorizes them to declare laws unconstitutional, to tear the laws up and throw them into the waste-paper basket. Indeed, the framers of the Constitution four times definitely refused them this power. It is an assumed, a usurped power, initiated by that great Chief Justice, John Marshall. Their duties are to interpret and apply the laws to specific cases, just as it is the duty of nurses to apply prescriptions to patients, not to tear them up.

If judges would confine themselves to these constitutional functions, they would find enough to occupy their time and efforts. They have tried more than 25,000 cases under the law during 150 years of our national existence. They have declared unconstitutional about 75 laws during that time. It is ridiculous to charge that we are attempting to destroy the courts when we merely want to confine them to their constitutional duties and to where their sphere of activities really lies.

The cry is often being raised that we are trying to destroy the Constitution. I deny this. We are insisting on going back to the original intention of the framers of the Constitution. Gladstone, of England, once said:

> It is the greatest instrument struck off by the mind of man at one time.

It is a splendid foundation for our democratic form of government. Upon it has been erected a structure which is not only a source of admiration to the entire world, but also the everlasting refuge of a free people if it is interpreted in the light of modern conditions and amended when necessary. It is not sacred. Nothing is sacred except human rights and lives. The great Master once rebuked His persecutors when they chided Him because His disciples plucked grain on the Sabbath with these words:

> The Sabbath was made for man, not man for the Sabbath.

I would paraphrase this by saying that "the Constitution was made for Americans, not Americans for the Constitution." Its very purpose is to protect all the citizens of the United States, especially the weak and helpless. Verily, I believe it is broad enough and comprehensive enough to provide for the modern needs of the people of the United States if interpreted by minds attuned to modern needs and necessities and equities.

To my mind the preamble is the alpha and the Bill of Rights—the 10 first amendments—the omega of the Constitution. Listen:

> We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

The preamble does not say "we, the Colonies", nor "we, the States." The sovereigns and final arbiters in this country are the people themselves. Who can better shape the policies most likely to assure them of these six provisions in the preamble, especially to "promote the general welfare", than their duly elected representatives in the House and Senate and in the White House—all responsible to those whose servants we are?

They call our splendid President a dictator. He is nothing of the kind. Nor has he at any time desired such a role. He has been chosen by the voters of this country twice by outstanding majorities to lead us not only onward to recovery but forward to permanent reform. We have delegated certain powers to this matchless leader, but we can at any time cancel those powers. And may I again reemphasize the fact that both of these branches of the Federal Government—the legislative and the executive—are responsible to their sovereign—the people of the United States. On the other hand, the Congress has for a century supinely submitted to usurpation by the Federal Courts of its constitutional prerogative and function of legislating without even a protest from these Members who now question not only the duty of the President to cooperate with the Congress for the common welfare but also the motives which actuate him in these worth-while endeavors.

Let us look at another phase of this question. Let us be practical. Are there not as able, efficient, and conscientious constitutional lawyers in the Congress as on the bench? Is not the Attorney General of the United States, the special adviser to the President as to the constitutionality of a law, as capable as our judges? Has the mere elevation by partisan Presidents to these positions made men, even such as you and I, infallible? When was Justice Shiras infallible—when he held the income tax constitutional or when, a few days later, he held it unconstitutional? When was Justice Sutherland infallible—when as Senator he supported a pension bill or as a judge he held it unconstitutional? When was William Howard Taft infallible—when as President he vetoed a bill as unconstitutional or later as Chief Justice he held the same law constitutional? When was Justice Roberts infallible—when he held a minimum-wage law unconstitutional or a year later when he held an identical law constitutional? The fact that one Federal judge in one district holds a law unconstitutional and a Federal judge in another district holds the same law constitutional also refutes the theory that judges are infallible. So also does the fact that we have 5-to-4 and 6-to-3 decisions. That merely goes to show that they have the same frailties, the same prejudices, the same reactions from early training and experiences as all the rest of us. Their decisions are made accordingly. But remember that we live in a democracy, and the Members of Congress and the President are responsible to the voters at stated periods, while the judges are not responsible to any voters at any time. The Federal courts are an irresponsible, permanent oligarchy composed too often of mediocre men. Such a state of affairs is not permitted even in conservative England.

Again let me call your attention to another anomalous situation. The Congress has the power—and has exercised

it—to create—to create, mind you—all the inferior Federal courts and establish, regulate, and limit their powers. Then we permit an insignificant Federal judge in some remote district to declare our own laws unconstitutional. The creation is master of the creator, is greater than the creator. This once happened in heaven, or was tried in heaven, and Lucifer was swept into the depths of utter darkness by his Creator for his impudence and audacity.

Congress has the constitutional authority to even abolish the inferior Federal courts. We do not propose to do this; they are both necessary and useful. But we do intend to limit them to the functions authorized by the Constitution, under which we both exist; that is, to try cases under the laws which we enact. They are to ascertain and preserve the rights of litigants who come before the courts for redress, but this must be in accord with the laws as enacted by Congress and signed by the President or passed over his veto.

I do not for one moment concede that the judicial branch of this Government is more capable, more desirous, more anxious to jealously guard and protect the rights of our citizens under the preamble and the Bill of Rights than are the Members of Congress and the President. As a matter of history, they have too often destroyed or interfered with human rights. I need only mention the results of the Dred Scott decision and the frightful holocaust it brought on this country. The child-labor decision doomed hundreds of thousands of helpless children to lives of drudgery, denied them their birthright to sunlight, fresh air, and education, and at the same time thereby denying willing laborers those jobs held by the children. The income-tax decision removed from the shoulders of those best able to pay the burden of taxation and placed it upon those whose burdens were already too heavy. And when, after 15 years, this was remedied by a constitutional amendment, the Supreme Court exempted salaries of Federal judges from the income tax on the pretext that under the Constitution the salaries of judges cannot be reduced during incumbency. In other words, the people themselves cannot by a later amendment change their own Constitution because the Supreme Court, forsooth, in a democracy considers itself even above the people themselves. The courts have also used and are using the un-American, unreasonable, undemocratic method of denial of rights by injunction. This prevents labor to bargain collectively and assemble peaceably.

Let me repeat that the Congress has exercised its constitutional prerogative to create all inferior Federal courts and define their duties and powers. It has also constitutionally both increased and decreased the membership of the Supreme Court. No one versed in our country's history can successfully deny this. No one can deny that the Congress has the constitutional authority to curb the powers of the inferior Federal courts and prohibit these courts from passing on the constitutionality of laws enacted by Congress. Then why this hue and cry about abolishing the courts, tearing up the Constitution, and destroying our democratic form of government? It is merely the echo of the superpatriotic barrage used against the administration in the last campaign. It will have the same outcome—a victory for the administration and for the American people.

I am for the President's program of court reorganization for three reasons: The Supreme Court has been rearranged by several former Presidents, including Lincoln and Grant; it is entirely constitutional, democratic, and American; it will permit the immediate carrying out of the mandate of the voters of the United States.

Did the people demand this? Let us see. During the first half of the Roosevelt administration the President proposed and the Congress enacted such legislation as the A. A. A., C. C. C., and T. V. A. The people as a whole favored this type of legislation. The New Deal was the issue in the 1934 campaign. Those of us who were in it know that full well. It won by a larger majority than in 1932, even though it was an off-year and the opposition was gathering strength enough to raise the cry of "Americanism." Following this election the Supreme Court declared most of these approved laws unconstitutional. The people knew where the President stood on the New Deal and where the Congress stood—at least the Democratic candidates certainly did not say things about the New Deal that some of them are now proclaiming because they think it is safe and expedient. During the 1936 campaign the New Deal more than ever was the issue. If anyone is in doubt, consult the campaign material of those who so bitterly opposed the President. Instead of meeting the issue with arguments the New Deal was called communistic and subversive to our form of government. Most of our candidates were denounced as dangerous to democracy and pictured as tearing up the Constitution and destroying the last bulwark of civilization—the Federal courts. Does anyone seriously contend that the New Deal and its author was not the issue? What was the verdict of the American electorate? It resented the insinuations, it tossed the lying propaganda into the wastepaper basket and endorsed the New Deal and President Franklin D. Roosevelt with the greatest majority in the history of our country.

Now, how can the reforms and policies of the New Deal be carried out if the Federal courts are permitted to continue to declare these laws, enacted in accordance with the New Deal, unconstitutional? Oh, yes; now the opponents of the New Deal are for a constitutional amendment, which they just as bitterly opposed as long as it was expedient to do so. A constitutional amendment would require years to accomplish. This has been the case with the child-labor amendment. In the first place, it requires two-thirds of both the House and the Senate to submit an amendment. It requires three-fourths of the legislatures of the 48 States to approve an amendment. The big interests of the country, who bitterly oppose reform and permanent recovery, would use their influence and money on one of the branches of the legislatures of 13 small States and defeat any amendment. This would not be the democratic way of majority rule. One-twentieth of the population, if centered in those small States, could defeat the desires of the majority as expressed at the polls last fall. If there was no constitutional way of upholding the New Deal other than the amendment way, then it would be not only logical but also mandatory. But the voters expressed themselves at the last election. There are two ways in which their elected representatives may constitutionally carry out that mandate—that is, by increasing the membership of the Supreme Court or by denying the right of inferior Federal courts to pass on the constitutionality of acts of Congress. This is clearly within the Constitution, and hence is both proper and right. The people, by an overwhelming majority, approved the policies and the program of Franklin D. Roosevelt, and it is the duty of their servants in the House and the Senate to translate that mandate into realization by using the constitutional means to prevent the New Deal legislation from being emasculated by the Federal courts.

It is further charged that the present Executive will pack the Court. The present membership of the Senate will prevent the confirmation of any appointee who would be likely to place in jeopardy the lives or rights of any American citizen. I call your attention to the fact that, whereas it requires only a majority of the Senate to enact this proposed legislation, it will require two-thirds to confirm an appointment to any Federal court—an effective check, if one were needed.

It has become quite popular to speak derogatively of the President. For those who honestly differ with the New Deal, I have no criticism. But there are certain Senators and Members of the House who are now asserting their independence. They are no longer "rubber stamps." It is too sadly true that for several sessions they were nothing but "rubber stamps" because of the popularity of the President. They have confessed to it here on the floor of the House. Then they campaigned in 1934 and 1936 on one issue: Roosevelt and the New Deal—and won the election. But all the while in the cloak rooms they were sniping at the President and the New Deal because at heart they are reactionary. Now they are coming out more openly. Words are inadequate for the contempt I have for such men. They are not only disloyal to the President, but to the democracy of

Jefferson and to the United States. Frank and honest opposition is at all times a service, but "rubber stamp" support and hypocrisy are always a disservice and despicable.

We are still in the midst of the stress and turmoil of recovery from the depression and the reforms of the New Deal. We are a part of it and have a deficient perspective, so we can pass adequate judgment on neither the legislation nor the participants. A very substantial majority of the American voters have said in no uncertain terms that they want these reforms enacted into law and carried out. They have also chosen Franklin Delano Roosevelt as the leader for another 4 years. Majorities are not always right, but in a democracy their will must be respected and their desires carried out. They will be, notwithstanding conservative courts and reactionary Representatives and standpat Senators. If the New Deal fails of accomplishment within the next 3 years because of the obstructive activities of these three groups, the sovereign people will, I believe, draft this fearless leader for another 4 years, because he not only has broad sympathy for the common people but has the courage to fight for their rights.

I do not want to draft the President; it may not be necessary. It is unfortunate that this question has been raised at this time. But notice what I say: If by the obstructive activities of these groups the New Deal which the American people have demanded is not enacted into law, it may be necessary to have this fearless leader to continue to lead us to victory in the 4 years just beyond the present term.

Paul the Apostle, in his splendid chapter on charity (II Corinthians:13), when he had pictured charity as the greatest thing in the world, uses these words in the thirteenth verse:

> And now abideth Faith, Hope, Charity—these three, but the greatest of these is Charity.

So some future historian of America will name three great Americans and write their names in letters of living light on the scroll of time—Thomas Jefferson, because he gave us political liberty; Abraham Lincoln, because he gave us human liberty; Franklin Delano Roosevelt, because he gave us economic liberty, without which political and human liberty are worthless—these three, but the greatest of these is Franklin Delano Roosevelt.

I believe that some future historian will do this very thing; and I am here to say that although I have not supported the President in everything he has stood for—I have seen fit many times to oppose some of the things he has proposed—yet because of the fact that he believes in the common people and because he has sympathy for the common people and stands for the New Deal, which will give something to those who in past decades have received practically nothing, I am with him on the New Deal and all its principles to help those who have not received their rights in this country.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield for a question?

Mr. HILL of Washington. I yield.

Mr. CASE of South Dakota. Mr. Speaker, I am interested in the gentleman's argument that the Court should not review legislation passed by the Congress and his argument also relating to the power of the courts to declare acts of Congress unconstitutional. I am wondering with regard to the protection of the rights of the people under the Constitution if a State were to pass a law saying that within that State the amendment providing for the direct election of United States Senators should be ignored and that in that State they would go back to the practice of electing Senators by vote of the joint houses of the legislature if we did not have a Supreme Court to say that such an act was unconstitutional, who would protect the rights of the people of the States to have a direct voice in the election of their Senators?

Mr. HILL of Washington. It is not necessary to answer the question, because I call attention to the fact that what I said had reference to acts of Congress. I did not mention at all the acts of State legislatures. I am talking about acts of Congress.

Mr. CASE of South Dakota. All right. Then suppose Congress should pass a law and say that the Senators should be elected from among the States on the basis of population instead of protecting the rights of the Western and the small States, each to have two Senators. That was the compromise which made the Union possible originally. Suppose the Congress should pass an act and say that hereafter Congressmen are to be apportioned on the basis of population. Who would say that Congress did not have that right? Who would protect the rights of the States?

Mr. HILL of Washington. In the first place, I think the gentleman's assumption is far-fetched. I do not believe the Congress would do so, and the gentleman cannot cite a case where it has done so. In the second place, the gentleman and I are responsible to the people, and every 2 years we have to go back and be reelected. One-third of the Senators have to be elected every 2 years. The President has to be elected every 4 years. The people can remove us and put others in who will change the law. But the members of the Supreme Court and the Federal courts are put in there for life on good behavior, and the people cannot touch them. [Applause.]

My contention is that in a democracy the people should rule. They through their regularly elected representatives should decide on public policies. If we violate the confidence placed in us by the voters, they can remove us and change those policies by electing men and women who will repeal the objectionable laws. But when the Supreme Court, under our present unconstitutional system, declares that the income-tax amendment approved by the voters of this country does not apply to Federal judges, the people have no recourse. This is not democracy—it is government by an irresponsible oligarchy. I do not attack the courts. I hold no brief for the President. I do insist on the defense of democracy. [Applause.]

The SPEAKER. Under a special order heretofore made the gentleman from Michigan [Mr. HOFFMAN] is recognized for 15 minutes.

Mr. COX. Mr. Speaker, I wonder if my friend from Michigan would be adverse to my asking unanimous consent that his time be extended 5 minutes, then yield me the 5 minutes?

The SPEAKER. The Chair thinks it proper to state that the gentleman from Pennsylvania [Mr. RICH] has obtained permission to speak for 15 minutes immediately following the address of the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I would like very much to do that, but if the gentleman from Georgia would just as soon wait until I get through, I would appreciate it.

The SPEAKER. It is entirely proper for the gentleman from Georgia to submit his request, with the permission of the gentleman from Michigan and the gentleman from Pennsylvania.

Mr. COX. I will not press the request further. May I inquire of the gentleman from Pennsylvania at this time if he will yield to me to follow the gentleman from Michigan?

Mr. RICH. Mr. Speaker, I shall be glad to do so.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] is recognized for 15 minutes.

Mr. HOFFMAN. Mr. Speaker, it will be my endeavor in the few moments I have at my disposal to follow the advice of the gentleman from Texas [Mr. MAVERICK], who said we should avoid the use of hard names, which advice I note he failed to follow during his talk.

Mr. MAVERICK. Mr. Speaker, I make the point of order that the gentleman has started out talking about personalities and states that I did not refrain from using hard names. I make that point of order at the beginning, because I do not think the gentleman's statement is correct.

Mr. HOFFMAN. Mr. Speaker, I leave it to the judgment of the Members of the House. The RECORD, if not deleted, will show the gentleman did, in substance, give that advice.

The SPEAKER. Under the rules of the House, if the gentleman from Texas [Mr. MAVERICK] wishes to complain of words spoken in debate, his remedy is to demand that the words complained of be taken down. The gentleman from Michigan will proceed in order.

Mr. HOFFMAN. Mr. Speaker, I most humbly apologize to the gentleman from Texas if I made an erroneous statement and if I am mistaken in the assumption that the name he called Tom Girdler was a hard one or if the term "murderer" is not a hard name. What is the reason for a strike?

WHY A STRIKE?

Common sense, clear thinking, consideration of the facts, should give a correct answer.

Is there any legitimate reason for a strike, other than that the workers whom it affects are dissatisfied with either the conditions under which they work, the hours of employment, or the wage received?

If the workers employed in a factory are satisfied, should an outsider complain? If an outsider is permitted to complain, cause a strike, close the factory, deprive the worker of employment, he should be willing and able to offer an alternative which would save the worker from loss. Usually, the outsider causing a strike, closing a factory, depriving the worker of his job, accomplishes little, if anything.

Under any system of free government, there is—there can be—no doubt about the proposition that workers have a right to strike. The exercise of this right may be fair or unfair; it may or it may not work hardship to coworkers. Nevertheless, the right to strike is the right of the worker, of which no one under a system of free government should dispossess him.

It must be equally true that the man who desires to work should have that right and of that right he cannot, if liberty is to exist, be deprived.

Do you question either one of these propositions? No one consistently can question either, for the striker of today may be the worker of tomorrow, and the man who desires to work today may wish to strike tomorrow.

If a strike is called, what is the procedure? There is no doubt about the fact that men in a factory may strike. Is it not equally true that a man adjoining him may desire to work? Is the right to strike to be placed above the right to work? Are they not equal, both before the law and as a matter of moral honesty?

What are the facts? The gentleman's argument might have carried weight had it been based upon fact, but unfortunately his argument was not based on facts. The gentleman cited the refusal of the owners of the plants to abide by the Wagner law and called attention to the fact that injunctions had been requested. That is quite true, and they were within their rights. I am sure that those gentlemen in this House who find so much fault with our Constitution and our courts would not close the doors of those same courts and deny the protection of the Constitution to the people who desired to have justice done. I step over the thought that the C. I. O. and these labor organizations have never to this day followed the law and asked for an election in the case of General Motors.

Never to this day have they invoked the law made for their benefit, devised for the advancement of labor and to assist it in organizing.

Let me state a hypothetical question. The gentleman from Texas [Mr. MAVERICK] and I work at the same place. We are satisfied with working conditions, with hours, with wages. The other fellow, who is not employed at the plant, desires to organize us, charge us an initiation fee, a monthly fee. He convinces me that I should be organized; the gentleman from Texas is not convinced.

The other fellow and I insist that he join; he declines. We call a strike. I sit down on my job and on his job. I say he cannot work. I drive him from the factory, or, if it be a peaceful strike and not of the sit-down type, I picket the factory and when he leaves I will not permit him to return.

The gentleman from Texas [Mr. MAVERICK] has more fighting ability than have I. The other fellow sends in his flying squadron to join me on the picket line, and together we keep him, the gentleman [Mr. MAVERICK], from his job.

If the gentleman persists in his effort to go in, we either form a solid mass of humanity before the gate or we threaten. If threats are unavailing, we beat him.

The Government, State and National, gives the gentleman from Texas no aid. He is out of a job until he signs or the other fellow and I grow weary of our procedure, and, in the meantime, he is without work. He can live on his savings, if he has any. He can seek other employment, if he can find it, or he can go on the relief roll or depend upon the charity of the community.

I have stated the situation in the simplest of terms. Let the gentlemen who are speaking, who are organizers for the Committee for Industrial Organization, make answer in terms as simple.

Whether the majority of the workers in any particular plant, when free of intimidation, desire to strike, can easily be demonstrated by the methods employed in that particular strike.

If the majority of the workers are dissatisfied and wish to enforce their demands by a strike, and their demands are reasonable, the proposition is a very, very simple one. All they need to do is to call a strike, quit work, and advise the community and prospective workers of their grievances.

If their demands are reasonable, if their grievances are real, their places cannot and will not be taken by any self-respecting worker, and no longer can industry import strike-breakers.

If their demands are unreasonable, or if the majority prefer to work under the conditions and at the wages and hours which prevail, you will find the pickets reinforced by outsiders, using violence and intimidation to prevent the majority from working.

Let me repeat: The question of whether the majority in any particular plant desires to strike is answered by the character and methods of the pickets.

If outsiders are brought in and violence and intimidation used, then you may be sure that it requires intimidation and force to keep the majority from their jobs. Otherwise, they would stay away voluntarily.

The majority never need employ violence, intimidation, coercion. They can close the plant and keep it closed by remaining away from work. It is the minority which would violate the law, deprive its fellow men of the opportunity which it claims for itself, which ordinarily employs violence.

Labor should be organized, but only under responsible leaders, selected by the workers themselves. It should have the right to bargain collectively, and, when it assumes responsibility equal to the demands which it makes, public opinion, which is inclined to favor it, will compel compliance with all reasonable demands.

That there is intimidation, and plenty of it, is beyond question. Let me read excerpts from just a few letters. Here is one from Flint:

> The citizens of this city are getting awfully sick of the C. I. O. rule and the union members themselves, in many instances, are beginning to rebel. To illustrate, a strike has been in progress at the Mary Lee Candy Shop on our main street for several days. Picket lines have been established around the front of the store and during the first few days the store did a bigger business than ever before. Finally the union officials became convinced apparently that there was a bad public reaction so they began calling customers who entered the store scabs and shouting that they would be awfully sick before night, indicating that the food had been poisoned. These lines were established at both the front and back doors of the store. Finally on Saturday the pickets began attacking customers who went into the store. Not satisfied with that they gathered a group of 50 or 60 hoodlums on the sidewalk, and when someone came along whom they knew as antagonistic, one of the hoodlums would push this person into one of the pickets who, then, would assault and beat up the passer-by. Then they would claim that the passer-by had assaulted the picket. One of the persons assaulted is a union man who is employed at the Chevrolet. Upon being assaulted he promptly knocked down the picket who had hit him. Thereupon 14 or 15 hoodlums began

beating this fellow up while the police stood by. Finally the police very gently told the hoodlums they should not disturb the peace.

Protest was made against this violence to the city manager of Flint, and, according to the Flint Journal of June 27, I quote:

City Manager Findlater having informed a group of downtown businessmen that the blame for the trouble rested upon the citizens of Flint, who, he said, had no business going into the Mary Lee Restaurant, or saying anything to the pickets who blocked the sidewalk in front of the place during the rush of downtown Saturday afternoon shopping.

The same paper gives instances of violence which occurred that afternoon and evening and which I will insert:

Men and women patrons of the restaurant were subjected to a running fire of verbal attacks and some fared even worse as they left the establishment.

Previously Betty Simpson, union organizer in charge of strike activities at the Mary Lee, was heard to inform the pickets and the crowd in front of the store that "the city manager said it was all right for us to go ahead and do what we wanted to do."

Most seriously beaten during the day was Mr. Miller, whose face was a mass of blood and bruises. He said he had just stepped out of the restaurant when he was set upon by five or six men who began to beat him.

Another who was attacked was Dr. J. W. Orr, who was kicked in the shins and struck in the face by a woman picket.

One uniformed policeman was on duty at the scene of the fighting when the Saturday afternoon disorders broke out and he was helpless to handle the situation.

An Associated Press dispatch from Massillon, Ohio, dated today, quoted Leo W. Cox, picket captain at Republic Central Steel division, as saying last night when he protested against the use of troops against the plant reopening:

If they try to open this plant they will have a damn bloody fight. We have more than enough men here to whip this army and the scabs, too.

That is a statement of a picket captain of the organization under whose auspices the gentleman from Texas [Mr. MAVERICK] spoke at Detroit when he advocated organizing in the South as well as in the North, East, and West.

Let the gentleman state on the floor of the House whether he stands back of massed picketing, whether he stands back of and approves keeping men by force from their jobs.

Here is a letter from the wife of a worker in the Chevrolet factory at Flint. It is dated June 28. Among other things, she wrote:

Our fair city has become a lawless place, indeed. Businessmen that have done much to make Flint what it is are being forced to sign up with the C. I. O. racketeers, but it is done only as a last step to save their business.

Don't think for a moment all those that belong to the C. I. O. do so by choice. The majority were driven to it.

I know men who have been beaten and called all manner of names because they find themselves the possessors of too much manhood to sign up with the hell-bent racketeers.

Our men are threatened with being dumped into compound tanks, etc., but, thank God, some have stood their ground. My husband had connecting rods brandished at him and was told to get to h—— out of the Chevrolet or join the C. I. O.

The woman is frightened. She fears for her personal safety. Note this. She writes:

Today I stopped at police headquarters to make application to carry an automatic.

Think of it. Here is a housewife, a law-abiding, God-fearing, Christian woman whose husband is working for Chevrolet. Because of the acts of members of the organization for which the gentleman from Texas [Mr. MAVERICK] goes to Detroit and speaks and of whose methods he has, so far as I know, on this floor uttered not one word of criticism, this woman appeals to the police department of her city, which has failed, even during the daylight hours, to protect citizens of that town from violence on the public streets, for permission to arm herself so that she may walk in safety.

She writes further:

I just felt I had to write to say we want law and order, freedom of speech, press, and worship. What are our chances for having these?

John L. Lewis and his gang practice all manner of coercion to force his ideas on us. Will our Government rob us of the right to choose our own leaders?

Here is another received this morning from New York, which needs no explanation:

I am a C. I. O. who would like to leave the organization, and I know a few others who would like to do it, too; but we are afraid, for we know some of the others would smash us or do something dreadful to us. We work on fur in New York, and if we left the union we know we could get no protection from the Government, for, as that good old CARTER GLASS said, "We have no Government", now in some of the States since Roosevelt has been in, and so many Congressmen are afraid of him and Farley. I know that most of the C. I. O. men want to stick to John Lewis, but I am an American and so are some of my friends who want to leave the C. I. O., and we see things a little different from the others. We can see that most of the employers are decent men and fair and square. We can see, too, that we are not smart enough to invent anything and make a lot of money, and it is lucky for us that there are some smart men who can invent things and make money to pay us wages. And I and my friends don't believe in communism like most of the C. I. O. men do, for we can see that most rich men do better with their money than the politicians would do with it, for they would buy votes with it. I wish you would let all the Congressmen read this letter and put it in the papers, too.

During the last few months I have received hundreds of similar letters from widely separated sections in the United States.

The gentleman from Texas [Mr. MAVERICK] preaches peace, but the organization for which he speaks practices aggressive, lawless violence.

Is there any question about it? Do I wrong the gentleman? What are the facts? There is no mystery; there is no concealment. The record is open; all may read.

This series of strikes began in Michigan at Flint. Armed men invaded our State. By force they drove our workers from their jobs. They took and held possession of the factories. Does the gentleman approve of armed invasion? Does the gentleman advocate the driving of workingmen from their employment, either by C. I. O. organizers and C. I. O. "flying quadrons", or by the armed forces of a State, merely because those who make the attempt threaten violence and bloodshed if their desire is opposed?

In those picket lines men walk elbow to elbow, hand on shoulder, and, by a wall of moving humanity, bar workers from entering. If that does not suffice, they arm and, by force, drive those who would work away from the factory gate. Does the gentleman approve of that? Is it right? Is it just? Am I overstating the situation? Have I described a condition which does not exist, which has not for months existed in many places throughout this land?

Yet the gentleman from Texas [Mr. MAVERICK] speaks for an organization which does these things, and on the floor of this House he praises the leader of that movement.

Let us say nothing about the law, about legal rights. As one man to another, I ask him to make answer on the floor of this House, when the time is convenient to him, whether there is either fairness or common decency about it, if, by force, I drive my fellow worker from his job and keep him from it?

The gentleman talks about brutality which occurred at Chicago, but he does not tell the whole story. Do not mistake me. I do not condone brutality under any circumstances. Nevertheless, it should be remembered that that Sunday's attempt, in which these men were killed and injured, was the fourth assault on that particular plant, and that all could have been avoided had peaceful, lawful picketing been the order of the day.

Those marchers when they started toward the plant knew that it was defended by Chicago police. Many of those marchers knew just the kind of a police force they would meet. They knew that bloodshed and violence would follow if they persisted. Yet they went on.

Pictures were taken. They may be accurate; they may not be accurate. It is said that one series of pictures was taken by a minister, who also was reported to have been present taking pictures at two other scenes of violence where strikes were in progress.

After one has seen some of the pictures shown in some of the movie houses he does not always accept the evidence of his own eyes. It is said that Joe Brown, in his new

picture, Walking on Air, I think it is, has airplanes climbing either trees or telegraph poles; in any event, doing the impossible.

One thing is certain—the investigation now being conducted by the Senate Civil Liberties Committee at the other end of the Capitol has not yet brought out, so far as I know, acts of violence perpetrated by strikers or "flying squadrons"; but, perhaps, I am impatient, and it may sometime get to it.

This fact I have noted, that whenever public sentiment is crystallizing against these unlawful activities, that particular committee creates a diversion. I cite as an example that when the citizens of Flint were about to drive the sit-down strikers out, according to the official publication of the C. I. O., the Senate committee came to its rescue by putting the "heat" on General Motors officials.

Do not go out now and say that I advocate or approve of violence by anyone.

I hold no brief for any man who wants to engage in violence. You cannot put me with that group which wants violence, which wants trouble, but you can put me with that group which is willing to defend its homes and its property and the people of its city.

Mr. O'CONNELL of Montana. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Just for a question.

Mr. O'CONNELL of Montana. Was not the gentleman going to lead an army into one of these towns?

Mr. HOFFMAN. I have been waiting for that question, and I will answer the gentleman. The gentleman has asked his question; if I may have the floor again, I will make answer.

I would not lead an army anywhere if I could get out of it, and I never made any expression which indicated that I had the slightest desire to lead an army or to provoke a fight. I did make certain statements with reference to a condition which existed at Monroe, Mich. When I came through Monroe, after I had learned by a visit there what happened at Newberry, in the northern Peninsula of Michigan—and I thank the good Lord we have a Member from Michigan [Mr. HOOK] who is standing and talking against this lawlessness—I was frightened; and I still am frightened. I saw businessmen, just as respectable as any in this House, who had been out on the highway for 3 nights and 3 days, with no more than 11 hours' sleep, protecting the factory, the workers; and I saw farmer boys and workers, young and old, and I was advised that they had the C. I. O. membership list, and that out of 1,358 workers only 99 wanted to strike—I saw these men out there, two veterans of the World War armed with "tommy" guns, others with shotguns, and others with rifles, baseball bats, and knives.

These men's faces were drawn because of fatigue, of hardship. They, too, were frightened because of what might come to their town; because of what had been said; because of what had been done; because of the threats which had been made against their city.

When on Sunday Bittner stood before an audience of 8,000 C. I. O. sympathizers and said to them, "We are coming back to Monroe", and "By God, they will pay for what they did at Monroe, and pay well", I did say, and I stand here now and repeat it, that I was willing to go to Monroe. I was willing to go armed, and to have my friends and relatives go armed, to assist the citizens of Monroe in defending themselves against armed invasion from other States and other cities under the leadership of the organization for which the gentleman speaks.

In spite of the uncomplimentary intimations of the gentleman from Texas [Mr. MAVERICK], and of the gentleman from Montana [Mr. O'CONNELL], and of my own timidity, when armed workers and men come in from outside, from Chicago and from Toledo, and threaten violence; when they march upon the defenseless towns and cities of my home State, I am willing to do something besides talk.

I believe that nine-tenths of the Members of this House are willing to go back into their own States, to fight if necessary, when their communities are threatened with that kind of an invasion.

The gentleman stated no blood would be shed by any of these men who were doing the talking here. Now, you talk about John L. Lewis. You speak for his organization, as you did at Detroit. Bring John L. Lewis, or whomever you want to bring; bring him over into our community with those fellows, and, brother from Texas, I will be there to meet you and your friend John. Do not forget it. This is not a threat; it is just a promise I am giving you.

Mr. O'CONNELL of Montana. Will the big brave man from Michigan have a gun?

Mr. HOFFMAN. I am not a big brave man. I am the biggest coward in this House. I will run faster and farther and crawl into a smaller hole than any Member of this House to get out of trouble; but do not come to my house and tell me you are going to put me out. [Applause.]

Mr. O'CONNELL of Montana. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I have yielded all the time I care to yield to the gentleman, Mr. Speaker.

Do not think I am the only one who sees trouble ahead. It is always the troublemakers who cannot see it. It is the fearful man, the cowardly man, the man who is afraid, as I am afraid, who fears what is coming. For myself I do not care. I am old enough to call it a day. I have had my share of work and I have had my share of pleasure; but I have children and I have grandchildren. Now, come on, if you insist. That is all I can say—come on—and if you expect that because Lewis, whose telegram preceded the beating, shooting, and hanging of 25 defenseless men at Herrin in 1922, can get away with those methods, make no mistake. You will find factory workers, businessmen, farmers, men old and young—yes; and women—of the rural communities of Michigan ready to do battle; ready to do battle not because they wish it but because it is forced upon them and they cannot evade it. They will fight for home and fireside because they must, not because they wish.

And let the C. I. O. organizers remember that no magic mantle surrounds them; that they are not immune from those things which affect others.

Peaceful we are, and peaceful I am, and I will go to the end of the road to avoid trouble; but when driven to the end of the road and nothing is left—and C. I. O. would leave us nothing—we can do naught but defend ourselves, and that we will do.

Mr. O'CONNELL of Montana. What do you mean by "come on"?

Mr. HOFFMAN. Oh, I mean this: Get those gangs of whatever they are——

Mr. O'CONNELL of Montana. You are not inviting me outside or anything?

Mr. HOFFMAN. Oh, no; that is the last thing I would think of. If I were inviting anyone to a physical combat, I would try to get the gentleman from Minnesota [Mr. JOHNSON] or the gentleman from North Dakota [Mr. BURDICK], or some big man like that, or, perhaps, if I had the money, I would get Joe Louis to do my fighting. That is the way I would try to handle that kind of situation. [Laughter and applause.] But invade our homes, and we will do our own fighting. If and when you come to my home, you will find me there. Do you think I am crazy, do you think I am alarmed? I know I am frightened.

What about the kindly, patriotic, courageous gentleman over on the other side, the Senator from Virginia [Mr. GLASS], who said the other day, June 24 (CONGRESSIONAL RECORD, p. 6284):

> We have no Government.

What about the statement of the Democratic whip in the Senate, Senator LEWIS, who said, on June 23 (CONGRESSIONAL RECORD, p. 6213):

> This Nation is in a great peril, as I see it. I behold America as it now stands upon the eve of a turbulence which can result in a conflict inwardly very similar to that which preceded the Civil War between the States.

* * * * * * *

There is not a State in our Union which just now is not threatened with what may be called a form of riotuous confusion.

* * * * * * *

Shall we overlook at this time and forget that it was in like manner that Italy yielded, bringing on a condition which has finally resulted in a tyranny and a form of despotism we shrink to mention? Shall we refuse to reflect that our affairs of state and industry may likewise become victims as was the case in Italy, Russia, and now in Spain?

* * * * * * *

Here within ourselves we are nearer to insurrection and apparently, sir, confronting an army of revolt in the largest numbers * * *.

Oh, yes, I may be crazy; but those two patriotic Senators who have lived long enough to judge coming events, they are not crazy. They know what is going to happen if this continues.

When peaceful, law-abiding, God-fearing and God-worshiping housewives in Michigan are so frightened that they find it necessary to arm themselves, in order that they may have protection in daylight on the streets of a city in Michigan, then it is time that we take action to dispel their fears, to bring them security, for fear leads to violence, and violence, when widespread, to insurrection and civil war.

That seems to have been the thought in the minds of the two Democratic Senators to whom all look for sound advice and courageous action.

[Here the gavel fell.]

The SPEAKER. Under the special order heretofore made, the gentleman from Pennsylvania is entitled to recognition.

Mr. LORD. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan may have 15 minutes of additional time.

The SPEAKER. The Chair is loathe to submit that request, because the House has granted permission to the gentleman from Pennsylvania to address the House, but the gentleman from Pennsylvania may yield for the unanimous-consent request.

Mr. RICH. Mr. Speaker, I yield for the unanimous-consent request.

Mr. BEITER. I object, Mr. Speaker.

(Mr. HOFFMAN and Mr. MAVERICK asked and were given permission to revise and extend their own remarks in the RECORD.)

Mr. RICH. Mr. Speaker, I understood that the gentleman from New York [Mr. LORD] asked unanimous consent that the gentleman from Michigan be given 15 minutes of additional time. So far as I am concerned, I am willing to postpone my time to see whether the House is willing to give the gentleman from Michigan the additional 15 minutes.

The SPEAKER. The Chair understood that the gentleman from New York [Mr. BEITER] objected to the request, in any event.

Mr. BEITER. Mr. Speaker, when the gentleman from New York [Mr. LORD] submitted the request, it was my understanding he wanted 15 minutes. I would not object if the gentleman wanted 5 minutes. The gentleman from Georgia [Mr. COX] has been trying to get the floor for some time, and I would like to hear the gentleman's statement. I have no objection if the gentleman from Michigan wants that additional time.

The SPEAKER. If the gentleman from Pennsylvania [Mr. RICH] is willing to waive the time heretofore accorded him, the Chair would entertain a request that the gentleman from Michigan be allowed to proceed.

Mr. RICH. Mr. Speaker, do I understand that I would give up my time?

The SPEAKER. Yes.

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman's time be deferred.

Mr. RICH. Yes, Mr. Speaker; I am asking that my time be deferred.

The SPEAKER. The Chair will submit the request of the gentleman from Pennsylvania [Mr. RICH].

The gentleman from Pennsylvania asks unanimous consent that the time heretofore granted him may be deferred pending the request of the gentleman from New York [Mr. LORD] that the time of the gentleman from Michigan may be extended 15 minutes.

Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and the gentleman from Michigan is recognized for 15 additional minutes.

Mr. HOFFMAN. Mr. Speaker, I yield the remainder of my time to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I take no particular exception to what the gentleman from Texas [Mr. MAVERICK] had to say about me. I want to think better than well of the gentleman. However, it would be difficult for me to esteem him as highly as he might wish. I do want to believe, Mr. Speaker, that the gentleman loves his Government and would not willingly lend himself as an instrument to its overthrow. I want to believe that the gentleman feels as Andrew Jackson felt when he said, "Our Federal Union, it must be preserved", and as Daniel Webster when he said in his Bunker Hill address, "Our country, our whole country, and nothing but our country." Then I want him to join with me in asking the question, "Where is the coward or the scoundrel who would not fight for such a beautiful land?" [Applause.]

Therefore, Mr. Speaker, I must believe that the gentleman is never serious; that he is more interested in provoking amusement by his extravagance and buffoonery than in the molding of sound public opinion.

Mr. MAVERICK. Mr. Speaker, I ask that the gentleman's words be taken down.

The SPEAKER. The gentleman from Texas demands that the words of the gentleman from Georgia be taken down. The gentleman from Georgia will take his seat.

Which words does the gentleman ask be taken down?

Mr. MAVERICK. Where the gentleman used the word "buffoonery." This is not very serious to say it; we have said worse.

The SPEAKER. The reporter will take down and the Clerk will report as soon as convenient the last paragraph of the remarks of the gentleman from Georgia.

The Clerk read as follows:

I must believe that the gentleman is never serious; that he is more interested in provoking amusement by his extravagance and buffoonery than in the molding of sound public opinion.

The SPEAKER. What action does the gentleman from Texas desire taken on the words of the gentleman from Georgia?

Mr. MAVERICK. Mr. Speaker, I believe——

The SPEAKER. The gentleman must make some affirmative motion.

Mr. MAVERICK. Mr. Speaker, I move that the words be stricken from the RECORD.

The SPEAKER. The Chair is of the opinion that the words uttered by the gentleman from Georgia are such that it constitutes a matter which the House should determine as to whether or not they should be stricken from the RECORD.

The gentleman from Texas moves that the words uttered by the gentleman from Georgia be stricken from the RECORD.

The question is on the motion of the gentleman from Texas.

The question was taken, and the motion was rejected.

Mr. MAVERICK. Mr. Speaker, I make a point of order that a quorum is not present. They can put this on record if they want to.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. I understand that the gentleman simply made a point of order that there was no quorum present; that is, he did not object to the vote on that ground. I wanted to know whether it was just an ordinary point of no quorum or whether the gentleman objected.

Mr. MAVERICK. Mr. Speaker, I object to the vote and make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. MAVERICK. Mr. Speaker, I thought it was presumed that that kind of language was in violation of the rules of the House. If it is not, let it go.

The SPEAKER. It is not within the province of the Chair to strike language from the RECORD. That is a matter that must be submitted to the House.

Mr. MAVERICK. I ask unanimous consent that the Speaker say that was in violation of the rules of the House to use that kind of language.

The SPEAKER. The Chair has ruled that the language of the gentleman from Georgia was of such nature that it should be submitted to the House whether or not it should be expunged. The gentleman has other remedies. The gentleman could have moved that the gentleman from Georgia should be directed to proceed in order, but the gentleman has moved that the words be stricken from the RECORD, and that issue must be submitted to the House.

Mr. MAVERICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAVERICK. I would like to know what is to be done when personal remarks of that kind are made?

The SPEAKER. The gentleman has availed himself of his parliamentary remedy. He has asked that the words be taken down and has moved that they be stricken from the RECORD.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. Whether or not business has been transacted since the gentleman from Texas raised the point of no quorum.

Mr. MAVERICK. Mr. Speaker, it is not an important matter, so I will withdraw the point of no quorum.

The SPEAKER. The gentleman withdraws the point of order that there is not a quorum present.

So the motion was rejected.

The SPEAKER. The gentleman from Georgia will proceed in order.

Mr. COX. I want to think that the gentleman believes in some form of government, that he has not become wholly Russianized, and that John L. Lewis is not in fact his candidate for the Presidency in 1940.

Mr. MAVERICK. Mr. Speaker, I make a point of order against the word "Russianized", and I again ask that the gentleman's words be taken down.

The SPEAKER. Does the gentleman request that the words be taken down?

Mr. MAVERICK. Mr. Speaker, I ask that the word "Russianized" be taken down.

Mr. COX. Mr. Speaker, I withdraw the word "Russianized."

Mr. MAVERICK. It is nice of the gentleman to withdraw his words; such words are only meant to be insulting; they mean nothing and prove nothing. And as for the gentleman's remarks that John L. Lewis is my candidate for President in 1940, I have not decided. But I will not do like the gentleman—say I am for Roosevelt and the Democratic Party, and then be against both. I was for Roosevelt and the Democratic Party in 1936, and I am now.

The SPEAKER. The gentleman withdraws the word objected to.

The Chair thinks it proper to restate the rule of decorum in debate:

> That no word should be spoken that reflects upon the character or reputation and standing of any Member.

The gentleman from Georgia will proceed in order.

Mr. COX. Mr. Speaker, I am willing that the gentleman shall be known to his brethren as he desires to be known; and, therefore, I propound to him now a few questions which he can answer later on:

Is the gentleman collaborating with Mr. Lewis in the shaping of his official conduct here in this House?

Is he in sympathy with the C. I. O. and its effort to terrorize industry?

Does he favor the sit-down strike?

Does he approve of armed picketing?

Does he favor the closed shop and the check-off system?

Does he favor the forcible closing of industrial plants, the denial of ingress to owners, the denial of food and raiment to thousands of people who want to work?

Does he favor the stoppage of the United States mails, the shooting into planes attempting to carry food to people who insist upon their constitutional right to earn their bread by the sweat of their brow?

Does he favor the denial of the authority of the courts, the resistance to peace officers, the use of dynamite in blowing up water mains, the forcing of thousands of people into the bread lines, and the shooting down of people who resist the appeal of the Communist?

Mr. Speaker, let the gentleman make serious answer to these questions, and his brethren and the country will know him as he is. [Applause.]

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Pennsylvania be deferred 5 minutes in order that I may reply to the gentleman from Georgia.

The SPEAKER. The gentleman from Pennsylvania is entitled to be recognized at this time for 15 minutes.

Mr. MAVERICK. Will not the gentleman defer for 5 minutes?

Mr. RICH. Mr. Speaker, I have tried to secure time on various occasions. It is very difficult. I am perfectly willing, however, that the gentleman from Texas may answer the questions of the gentleman from Georgia. If my time may be deferred, I shall be perfectly willing to have him answer. [Applause.]

The SPEAKER. Just a moment. The Chair wants a definite understanding about the parliamentary situation. Does the gentleman from Pennsylvania yield the time the House has granted him?

Mr. RICH. No; I do not, Mr. Speaker. I ask that my time be deferred 5 minutes in order that the gentleman from Texas may answer the questions of the gentleman from Georgia.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the gentleman from Texas may now be recognized for 5 minutes. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, it is the instrumentality of persons who wish to be insulting and embarrass others to ask insulting questions. It is like asking someone, "Have you quit beating your wife or robbed a bank lately?" "Have you cut a throat or scuttled a ship in the last 10 days?", or "Do you believe in cannibalism?"

I do not think that it is necessary for a soldier of the World War—and I am not going to brag about that—I do not think it is necessary to answer those questions; but I answer these insults, generally, by saying "No." That is the answer. I will not attempt a detailed answer, at least not now. For, after all, the gentleman from Georgia merely wanted the peculiar satisfaction of asking me those questions. The answers do not concern him greatly.

Mr. Speaker, I oppose violence of any kind, whether committed by industry or labor, and said so in my main speech. I am for the peaceful settlement of labor disputes and want to encourage the Secretary of Labor and the National Labor Relations Board; the gentleman has denounced both.

It seems to me as though the discussion of this whole C. I. O. and labor question is on a basis of the frightful suggestions in the nature of the conversation of the gentleman from Georgia. The very thing that he is doing here is the kind of psychology and the kind of excitement that brought on the Civil War in the United States. Such talk may cause trouble again. And it is easy to be brave here in Congress.

It is easy enough to propound insulting questions, but the problems which confront the American people are serious. I will not rise and protest my virtue, that I am as virtuous,

or as brave, or as courageous as the gentleman from Georgia. Portia protested her virtue too much, and Falstaff talked bravely and ran.

I cannot get up here and say that "the flower of Texas manhood", since the gentleman has spoken of "the flower of southern manhood", are going to do battle and shed some blood because of the C. I. O., especially since thousands of young ladies in the South have lately joined the textile union, and no one has risen up to stop it. The questions asked were intended merely for insult and display.

Some people become overpious, and they wrap themselves in the Constitution and the flag. They parade themselves.

But who is it that is fighting the plans of the Democratic Party and of the President of the United States?

Why, it is men like the gentleman from Georgia [Mr. COX]. He is one of the men who does that very thing. I merely submit to the membership of this House that there are lots of men in the C. I. O. and other labor organizations who are just as patriotic, just as honorable, and just as courageous as the gentleman from Georgia.

But I submit, Mr. Speaker, that just such occurrences as of today bring violence. We have heard enough of bitter personalities for the time being. The people of this country would rather see us do our duty and carry out the promises of the Democratic Party. [Applause.]

The SPEAKER. Does the gentleman from Pennsylvania [Mr. RICH] desire to avail himself of the time previously given him?

Mr. RICH. Mr. Speaker, I do. I asked for it for the purpose of utilizing the time.

The SPEAKER. The gentleman from Pennsylvania [Mr. RICH] is recognized for 15 minutes.

Mr. McCORMACK. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, may I state that I shall object to any further unanimous-consent requests at the termination of the gentleman's speech.

Mr. VOORHIS and Mr. SUMNERS of Texas rose.

The SPEAKER. The gentleman from Pennsylvania [Mr. RICH] has the floor. Does he yield?

Mr. RICH. If it does not come out of my time. I want to be as courteous as I can to the Members of the House.

The SPEAKER. It will be taken out of the gentleman's time.

Mr. RICH. Mr. Speaker, then I cannot yield. I am awfully sorry. I have tried to be as courteous to the Members of the House as I possibly could in yielding my time heretofore.

Mr. COX. I want to thank the gentleman for his exceeding kindness to me.

Mr. RICH. The gentleman is quite welcome.

Mr. Speaker, this seems to be the day during which we are having discussions among the membership of the House about each other and things that have been said on the floor regarding personalities. While on that subject I want to call attention to a statement made by my colleague the gentleman from Pennsylvania [Mr. GILDEA] on June 21.

First, may I say I hold no ill will or animosity toward any Member of the House or toward any one in fact that I know of in Congress, in my district, in the State of Pennsylvania, or the world. We all have a right to our individual opinion and a right to believe in certain things as we please and to worship as we choose. Thanks for that. The gentleman from Pennsylvania mentioned something about the Woolrich Woolen Mills and the fact I was general manager of that concern; therefore he spoke of me personally.

May I say that I am a manufacturer and in business, and have been all my life since I left college. I consider it a distinct honor and a great privilege for any man to be engaged in some honest business in order that he may, during his life, do something not only for himself but for hundreds and hundreds of other people. It so happens I am associated with business that employs about 700 people. We try our best, so far as we possibly can, to look after those individuals and do the things that we think ought to be done for those employees. We work with them, we associate with them, and we understand them, and they, I think, understand us. We have never had any labor trouble to speak of that was not satisfactorily adjusted to employer and employee. I question whether we have an annual labor turnover of the employees of our plant of 1 percent. Certainly not over that.

We believe in the Golden Rule. We may try to do everything we know how, but there arise in any plant differences between the employee and the assistant foreman, the foreman, or the superintendent, or the management; that is only natural. Naturally 700 or 800 people cannot always get along together 100 percent. The fact is you have to do the thing that may be best for the greatest number. If you have some people who will not work with you, there is only one thing for them to do, and that is to work for somebody else. If they cannot get along with a foreman or assistant foreman, they have to get out. You necessarily have to have your rules and regulations to apply to all. Business must be run on a sound basis. They must have rules and regulations just the same as the House of Representatives or any other body.

When it comes to minimum wages and the abolition of child labor and things of that kind, I am for those things 100 percent. Ever since I have been a Member of Congress I have advocated those things. I have even gone down to the labor temple to get them to advocate such laws since 1930. The principal ones I found against those things are the men in the labor organization. With the exception of one man who has charge of the Federal Government employees, Luther C. Stuart, they were not for those things; at least, those I contacted in labor circles were not.

The gentleman stated that my company was called before the Wagner Labor Relations Board. Name some business that has not been called before them or who will not be. The right to labor is just as sacred as the right to strike for all Americans under our form of government. May that always be the case.

Since that Board has been established, under a law the intent and purpose of which was that the Board should settle strikes, we have had more strikes than we have ever had in the history of the Nation in the same space of time—over 2,400 in 7 months. I do not know where you would find a concern which has not been called up before that Board, because today, if one employee raises an objection for any reason at all to management, the C. I. O. is after him trying to get him to come to the Labor Board and make some objection about your organization, and they cooperate with C. I. O. 100 percent. The C. I. O., so I am informed, paid the expenses of three of our employees who were relieved from duty in our company in order that they might come here to Washington to make complaint. Nothing strange about that. Just facts. When the difficulties concerning those three employees arose, not one word was said about organization or about labor unions. Labor unions were not discussed, not even mentioned. I may say, too, that I am in sympathy with organized labor, and I am in sympathy with the right of labor to deal with its own employers.

For years the employees in the various departments of our company have elected their own representatives, every one of whom sits in on the monthly meeting of the foreman, assistant foreman, and the board of directors, taking care of the things which are interesting and vital to the welfare of such employees. These employees can make complaint at any monthly meeting about anything which goes wrong or anything which might happen concerning the employee and his welfare. This custom has been in effect for years. We have also had an old-age pension system effective for years. We have no child labor. It is outlawed in Pennsylvania, and has been for years.

I may say to the gentleman from Pennsylvania [Mr. GILDEA] that I now give him an invitation to come up to our plant and visit me, and go around and see the plant, and see the people, and how they live. He can talk to them at their work and at their homes, and see whether the people up there

are fairly well satisfied with their work. See if they are treated right, see if the great majority of them live right and happy and see what nice conditions they really do have and enjoy. I will venture the assertion you do not have a textile plant in Pennsylvania or the country that have all around working conditions as good or better than at Woolrich, where the people are happier and more contented, where they live in nicer homes, or where the surroundings are as good.

Mr. GILDEA. Mr. Speaker, will the gentleman yield?

Mr. RICH. For just a question.

Mr. GILDEA. I simply want to make a statement regarding that invitation. I have been invited by the workers at the gentleman's mill to attend a meeting in Williamsport on next Wednesday evening. I intend to accept the invitation, and I shall report back to the House exactly what I find.

Mr. RICH. I suggest to the gentleman that instead of going to Williamsport he go to Woolrich, the place to see for yourself. However, when he does go to Williamsport at the request of Mr. Derr, the organizer for the C. I. O., who evidently is the man who invited the gentleman up there, to get his information, you will only get the C. I. O. side. Go to Woolrich and get the facts from the 95 percent of satisfied workers, all American born and all good American citizens. We have nothing to be ashamed of, but we have much to be proud of.

Mr. Speaker, I shall not yield any further. I have given the gentleman the invitation.

Mr. GILDEA. I just wanted to make that statement.

Mr. RICH. In reference to employees, I may say that some employees are not altogether physically well qualified or mentally well qualified to be employed in any plant. In a plant which employs many people there are those who must be looked after; they cannot take care of themselves. We have some employees in that category whom we have tried our best to keep from going on relief, and we have done everything we possibly could for them. None of our employees are compelled to buy merchandise, as was stated, from the store company. That is not a true statement; and we have a cash pay twice a month for employees who do not give orders for more than they make to be deducted.

In the turmoil which is going on in industry today it is not unusual to have someone try to raise trouble. This seems to be in line with almost all organizations and business people now. Just this morning I received a letter from the Eskimo Knitting Mills, a letter which no doubt all Members of Congress have received, together with an attached letter to the mayor of Philadelphia, and I ask unanimous consent, Mr. Speaker, that I may insert these two letters in the RECORD at this point. Read these letters for your own enlightement of what is going on in industry by the C. I. O.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The letters referred to follow:

ESKIMO KNITTING MILLS, INC.,
Philadelphia, Pa., June 25, 1937.

His Honor the Mayor, S. DAVIS WILSON,
City of Philadelphia, Pa.

DEAR MAYOR: Being acquainted with your reputation for fair play, I am writing this letter to acquaint you with a situation which has been giving us and our employees considerable worry, and which condition, I am quite sure, you will want to use your good office to remedy.

This company has been in business approximately 30 years; during past 3 years the owners have been able to draw only $30 to $40 per week, while the wages paid to skilled labor, mostly women, average from $30 to $50 per week, and unskilled labor $14 to $21 per week.

The above can easily be substantiated and you can appreciate that in our anxiety to treat our labor as well as possible we have always been satisfied with less for ourselves. We have employees here who have been with us for past 8 to 18 years, and the relations between them and the owners have always been very pleasant.

About 4 weeks ago, and since then, almost three times daily, the Committee for Industrial Organization organizers come to our plant, causing considerable annoyance to ourselves and our employees, gathering large crowds and through the use of large amplifiers they started to threaten our employees. We have asked both members of the Committee for Industrial Organization and also National Labor Board, in order to establish the desire of our employees as to an outside organization, to allow our employees to vote and decide for themselves just what they want to do, but we have been advised by the National Labor Board, due to no trouble at our factory, there is no necessity for a vote, and members of the Committee for Industrial Organization frankly advise that they must work on our employees for a while in an endeavor to get them to join their organization before they ask for a vote.

Meanwhile our employees in their desire to find out their own wishes have taken a vote between themselves, without our cooperation or assistance, and have advised us that approximately 90 percent are against an outside organization; and meanwhile they have formed an organization of their own. Some of the few people, 8 or 10 out of a total of 92, that the C. I. O. organization have been able to get have admitted that they have been scared into signing with the C. I. O.

Since the constant effort of the C. I. O. organizers during the past 4 or 5 weeks in an endeavor to get workers from our organization has not at all changed the decision of the large majority of our employees, who definitely refuse to have anything to do with the C. I. O. organization, we certainly feel that they and ourselves should be left alone to do our work in peace and without having to worry that someone will constantly annoy us on way home or on way to work and in the shops.

I believe that you feel like I do. If there was any dissatisfaction here, the majority of our employees, after constant gruelling by the C. I. O., would have certainly joined with them by now; and, if they have not, should establish definitely that they do not want to.

In view of these facts, or any investigation that you may desire to make, is it not fair to request your assistance in keeping members of the C. I. O. organization away from our shops and employees?

Thanking you for an early reply, I am,

Yours very truly,

ESKIMO KNITTING MILLS,
J. ROSENFELD, *Vice President.*

ESKIMO KNITTING MILLS, INC.,
Philadelphia, Pa., June 28, 1937.

Hon. ROBERT F. RICH,
Congressman from Pennsylvania, Washington, D. C.

DEAR SIR: I am attaching hereto copy of letter which we have written to the mayor of Philadelphia and which will give you a rather clear picture of the position which hundreds of employers of labor have been placed in with the passing of the Wagner Labor Act. Not that the Wagner Labor Act is giving outside organizations, such as the C. I. O., the right to resort to such high-binding methods, and acts bordering on anarchism, but the fact that it is designed to give the employer no protection at all has opened up a wonderful opportunity for unscrupulous attorneys and organizers who are taking advantage of it for their own personal benefit and not for labor.

It may surprise you to know that an investigator for the National Labor Board has given us to understand that it makes no difference how our employees feel about it, the policy of the Board is to foster the C. I. O. organization, and we have been advised by the investigator of the National Labor Board that the best way to save ourselves any trouble is to agree to negotiate with the C. I. O. organization.

Please bear in mind, here is a company whose employees are and always have been perfectly satisfied; 5 weeks of the most unusual threats and coercion by C. I. O. organizers on our employees, and by that I mean coercion of the most unscrupulous type, threatening the employees and their families in their homes, etc., has not changed the minds of our employees, and up to the present day they are still rejecting any advances made by members of this organization that unless we agree to deal with them and allow them to organize our shops they threaten to bring here a crowd of pickets, people not employed by us, and call a strike in order to force the employees to join the organization.

In other words, we are placed in a position where we must sell out our employees to the C. I. O. organization; we must tell 90 percent of our employees, unless they join the C. I. O. organization, they will be out of jobs. You can just imagine how little respect we will command from our employees who, after 5 weeks of threats and coercion by members of the C. I. O. organization, are still refusing to have anything to do with this organization; were we to advise them now they must join this organization, if we are to keep open and allow them to work, and please bear in mind the instructions I have from a governmental agency, such as National Labor Board, are that we do just that, that we sell our employees to the C. I. O. organization. I really believe that if those who are responsible for legislation made a study of this particular situation in our plant, then an unbiased committee would learn a great deal about the great danger done to both industry and labor by the Wagner Labor Act as presently constituted as well as the interpretation and administration of this act by the National Labor Board.

If you were to sit here with me in my office and meet some of these organizers, none of whom I have met so far could speak plain English, and probably most of them are not even American citizens, I say, if you were to sit with me and listen to these men order us in our own office that unless we turn our employees over to them they will close us up and put around our plant hundreds of pickets, not of our employ but paid pickets, probably people out of employment at this time, you would realize that the best

part of our time today cannot be given to proper management of our business or to obtaining sufficient business to keep our employees occupied, but it is given to defending ourselves against a host of anarchists who have been left to do as they please and who apparently will probably keep on doing it, for it is a profitable business for these organizers, until they are stopped by proper legislation and proper administration of such legislation.

I might say that we are heading for a new depression, a depression not caused by economic conditions but by uncertainty due to strikes encouraged by this new Wagner Labor Act and its administration. Large shipments of merchandise made by this company to wholesalers and retailers all over the country are being returned; it cannot be sold due to strike conditions, which means just this: that employees who have been working here steady for 3 years will soon have to be laid off for lack of work.

Quick action is needed; a revision of the Wagner Labor Act with teeth in it, a revision such as will give the employer some rights, and which will make it criminal for any organizer to exploit labor for his own personal and selfish benefit, is needed urgently in order to give business a feeling of security, if we are going to thwart this new depression which is in the making.

Please bear in mind that the Wagner Labor Act and its administration has encouraged hundreds of so-called attorneys previously specializing in the profession of ambulance chasing, also anarchists and Socialists who don't believe in work, to take up this new and very profitable field of C. I. O. organizing, and I believe that if an unbiased committee of Congress were to study this perplexed labor question, take a little time to investigate the prosperous condition of some of these organizers, you will discover the root of the trouble. I happen to know one of these organizers, an attorney of little past reputation, who now lives in the swellest apartment of the city, drives the finest cars, and whose champagne bills run into hundreds of dollars. I happened to see some of the champagne being delivered, and let me tell you it did not make me feel any too good knowing the conditions prevailing here at our plant, whence the money came for the purchase of these luxuries.

If a clause was incorporated in a revised labor act making it criminal for any organizer to collect for his services any more than the average pay per week received by the trade he is organizing, you will find out how soon this organizing business by selfish people will "go to the dogs"—you will have honest organization by labor itself.

Labor unions under strict Government supervision, regulating compensation of organizers, and assurance that funds collected by the union be kept strictly for the benefit of the employees who pay their dues—a union whose officers are made up of employees, and not professional organizers, and a union whose finances will be audited under Government supervision—will soon eliminate all the troubles we have been through during the past few months, because, remember, practically the entire labor trouble today starts, not with labor itself but with those who take advantage of labor for their own selfish benefit.

I am writing this for I know you are deeply interested in the welfare of this country and its people; I am sure if you knew the condition from both manufacturers' and labor's point of view you will appreciate the necessity of some quick action. The problem in our own plant, which is small, comparatively, will make an interesting study for you who I know are looking for a solution to this labor trouble. An unbiased committee studying this problem can obtain very interesting information from our records, from us, and from independent talks to our employees, and, based on such information, you will be in position to put into effect changes to the present law which will eliminate future labor troubles. The problem is too large and important. Future relations between employer and labor can be established on an honest and safe basis by studies in such plants as ours.

Yours very truly,

ESKIMO KNITTING MILLS,
J. ROSENFELD, *Vice President.*

Mr. RICH. I do not know anything about the Eskimo Knitting Mills and I am not campaigning for them, but I am only trying to convey to the Members just what is happening in industry today. They present their complaints to Congress. If the Wagner Labor Relations Board is going to try to get industry and labor together, it should do everything it can to help both labor and industry, not to crush industry and do everything that radical labor would have you do, and break down all industry. What can you gain by such action? Such cooperation is vitally necessary to the welfare of our country today in order to give people employment. This controversy is not all one-sided. When we think that people who want to work are prohibited from working, as they have been in some plants in Pennsylvania during the last month, then we as Members of Congress are not looking after the welfare of the people who are interested in jobs when we make it possible for such things to happen. Crush industry by tyrannical laws and you throw men out of jobs. Make proper changes in the Wagner Act at once before it is too late.

The right to work is as sacred to our tradition as the right to strike. I may say to the Members of Congress that people who operate industry have hearts just as big as have those who work in industry.

In almost every plant not more than 10 percent of the people who work are able or capable to operate or manage the plant. The 90 percent are dependent on the other 10 percent to give them employment. However, in the last year or two we have put such burdens and hardships on industry that many people in this country are willing to quit business. In fact, they are quitting; their opportunities are gone and there is no incentive to operate or expand business. They have come to the conclusion that the easiest thing to do is to give up and quit. That is fast becoming the situation. Is that what we in this Congress want to do, or do we want to help industry go along in order that it may give employment to the people of the country? Will we create jobs or will we destroy them by bad laws?

This is a serious question. This is no time to come in here and quibble and take one side of the situation against another. This is no time for us to be playing politics for our own personal advantage because we think more people will vote to reelect us to Congress if we side in with one side or the other. Now is the time we want to give to the problem the very best thought and consideration we possibly can for the sake of everybody in this country, in order that our country may be a better and a happier place in which to live. You must change the Wagner Act and get a competent Secretary of Labor at once, before it is too late.

I went up to the Boy Scout encampment last night and saw these young fellows, and thought what a fine thing it is for them to have the privilege of coming here to visit in Washington for the next week or 10 days. It is a trip and an experience they will never forget as long as they live. These are the boys who must carry on in the years to come. They are now being taught things that are manly, things that are upright, things that are going to make better citizens of them. If you Members of Congress have not already gone up to the encampment, go up some night during this coming week. It will be one of the finest experiences you have ever enjoyed, to have seen the beauty and the grandeur of the things they are trying to do to help these boys, and the boys to help themselves.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes; I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is a fine American organization.

Mr. RICH. One of the finest in the world. [Applause.]

Mr. Speaker and Members of the House, when we turn the Government over to these Boy Scouts in 20 years from now, will they find the freedom here in this country we have enjoyed during our lifetime? Will they find the Constitution governing our form of government? Will they find a House of Representatives, a Senate, composing the legislative branch of the Government? Will they find a President? Will they find a Supreme Court? My hope and prayer is that we can give to them a government such as our founders in 1776 intended that they should have. [Applause.]

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I had desired to submit a unanimous-consent request, but I understand a number of other gentlemen also have unanimous-consent requests to propound, and that objection will be made. I have a very brief statement I would like to put in the RECORD for the information of the House, but if there are going to be any other requests I cannot submit mine.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly

enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3259. An act for the relief of Laura E. Alexander;

H. R. 4795. An act to provide for a term of court at Livingston, Mont.;

H. R. 5394. An act to provide for the acquisition of certain lands for and the addition thereof to the Yosemite National Park, in the State of California, and for other purposes; and

H. J. Res. 434. Joint resolution to amend the act entitled "An act to amend section 4471 of the Revised Statutes of the United States, as amended."

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2254. An act to amend section 460, chapter 44, title II, of the act entitled "An act to define and punish crimes in the District of Alaska, and to provide a code of criminal procedure for said District", approved March 3, 1899, as amended.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3259. An act for the relief of Laura E. Alexander;

H. R. 4795. An act to provide for a term of court at Livingston, Mont.;

H. R. 5394. An act to provide for the acquisition of certain lands for, and the addition thereof to, the Yosemite National Park, in the State of California, and for other purposes;

H. R. 6635. An act to dispense with the necessity for insurance by the Government against loss or damage to valuables in shipment, and for other purposes; and

H. J. Res. 434. Joint resolution to amend the act entitled "An act to amend section 4471 of the Revised Statutes of the United States, as amended."

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 6 minutes p. m.), under its previous order, the House adjourned until Tuesday, July 6, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Wednesday, July 7, 1937, at 10 a. m., on H. R. 7158, to except yachts, tugs, towboats, and unrigged vessels from certain provisions of the act of June 25, 1936, as amended.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—POSTPONED

The meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Wednesday, July 7, 1937, on H. R. 5182 and H. R. 6917—textile bills—is postponed until 10 a. m. Thursday, July 8, 1937.

EXECUTIVE COMMUNICATIONS, ETC.

698. Under clause 2 of rule XXIV, a letter from the Attorney General, transmitting a draft of a bill to grant to defendants in criminal cases the right to appeal against the sentence if it is deemed that the sentence imposed is excessive, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 7667. A bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes; with amendment (Rept. No. 1179). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FORD of California: A bill (H. R. 7756) to provide for the establishment of one Infantry battalion of Negro troops as a part of the National Guard of the State of California; to the Committee on Military Affairs.

By Mr. WEARIN: A bill (H. R. 7757) to amend the Packers and Stockyards Act of 1921; to the Committee on Agriculture.

By Mr. CASE of South Dakota: Joint resolution (H. J. Res. 438) restoring the right of appeal to the Supreme Court in certain cases involving claims of the Sioux Indians; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LAMNECK: A bill (H. R. 7758) for the relief of May Elizabeth Cook; to the Committee on Claims.

By Mr. SPARKMAN: A bill (H. R. 7759) for the relief of Susan Lawrence Davis; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 7760) for the relief of W. N. Penland; to the Committee on Claims.

Also, a bill (H. R. 7761) for the relief of Sibbold Smith; to the Committee on Claims.

Also, a bill (H. R. 7762) for the relief of Kenneth G. Roberts; to the Committee on Claims.

By Mr. DIXON: A bill (H. R. 7763) for the relief of the Bruckmann Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2831. By Mr. CITRON: Petition of Labor's Non-Partisan League of Connecticut, endorsing the Black-Connery bill and another endorsing the President's Court proposals; to the Committee on Labor.

2832. By Mr. CURLEY: Petition of the New York County Lawyers' Association, recommending disapproval of House bill 11563, introduced by Congressman MURDOCK; to the Committee on Ways and Means.

2833. Also, petition of the New York County Lawyers' Association committee on Federal legislation, disapproving House bill 11563, introduced by Mr. BUCK; to the Committee on Ways and Means.

2834. Also, petition of the New York County Lawyers' Association, New York City, N. Y., recommending approval of Senate bill 1273, introduced by Senator COPELAND; to the Committee on Interstate and Foreign Commerce.

2835. Also, petition of the New York County Lawyers' Association, New York City, urging disapproval of House bill 5421, introduced by Congressman FERNANDEZ; to the Committee on Interstate and Foreign Commerce.

2836. By Mr. LUTHER A. JOHNSON: Petition of T. Jones, Red Oak, Tex., favoring the so-called agricultural adjustment bill now being considered by the Committee on Agriculture; to the Committee on Agriculture.

2837. Also, petition of R. W. Siegert, president of the Smetana Agricultural Association, Bryan, Tex., and Bomar Tapp, Waxahachie, Tex., favoring the so-called agricultural adjustment bill now being considered by the Committee on Agriculture; to the Commitee on Agriculture.